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LABOR

DUSHANBE CONFERENCE TREATS CENTRAL ASIAN EMPLOYMENT

Moscow PLANOVOYE KHOZYAYSTVO in Russian No 2, Feb 82 pp 123-124

[Article by L. Chistyakova, senior staff scientist of the Scientific Research Institute of Economics of USSR Gosplan (NIEI): "Utilization of Labor Resources in the National Economy"]

[Text] A conference aimed at coordinating the scientific work of institutes collaborating on the problem "Formation and Efficient Utilization of Labor Resources in the National Economy During the 11th Five-Year Plan and in the Long Range" was held in Dushanbe in October 1981. It was organized at the initiative of NIEI, which is the head organization for work on this topic, a position which it holds jointly with the Central Asian Section of the Scientific Council of the USSR Academy of Sciences for Socioeconomic Problems of Population and the Scientific Research Institute for Economics and Mathematical-Economic Methods of Planning of TaSSR Gosplan.

Participants in the proceedings of the conference included staff members of USSR Gosplan, the State Committee for Labor and Social Problems, the central statistical administrations of the USSR and the union republics, the Center for Study of Population of Moscow State University imeni M. V. Lomonosov, and representatives of scientific research institutes and higher educational institutions of Moscow, Leningrad and other cities.

The conference was opened by D. Kh. Karimov, doctor of economic sciences and chairman of TaSSR Gosplan. He emphasized the interrelationship which has become stronger in recent years between demographic research and scientific work being done on the problems of regional employment and raising the efficiency of utilization of labor resources.

The present situation in the utilization of labor resources, it was noted at the conference, is characterized by new factors: the high labor force participation rate, the sizable potential for raising the productivity of labor, the growth of the impact of demographic processes on employment, and enhancement of the role of social factors and the regional aspect of personnel training (V. G. Kostakov, doctor of economic sciences and sector head of NIEI).

Work on the problem of the balance between job vacancies and labor resources in the context of the decisions of the 26th CPSU Congress was set forth in the papers as the principal task of research. The rise of labor productivity is the most important condition for achieving that kind of balance. Much attention was paid to that problem at the conference. For instance, in certain regions the rise of labor productivity is making it possible to reduce the requirement of the sectors of the economy for additional manpower, while in others (on the basis of a growth of accumulation) it is making it possible to expand the labor force, especially by hiring young people and persons displaced from agriculture. The importance of examining the problems of employment and labor productivity as they relate to one another is emphasized by the fact that labor productivity is growing more slowly in regions with a manpower surplus than in regions with a shortage.

There is considerable potential for raising labor productivity in the national economy. The share of manual labor in physical production is still high. The principal practical problem is to make manpower available through technical and organizational factors and then to use that manpower, which is a reserve, on a centralized basis. In the eighties a sizable portion of the growth of the country's labor resources will occur in the Central Asian region. That is why discussion of the problems most urgent for the republics of Central Asia--mobility of the population, the location of production and the training of personnel--occupied a central place in the proceedings of the conference.

The conference touched upon the question of new factors in migrational processes. It was observed that due attention should be paid to the organizational forms of migration (organized recruitment and resettlement). The opinion was expressed that the role of these forms of migration could increase in the present demographic situation (in which the growth of labor resources is concentrated in particular areas), which makes it indispensable to conduct regular sample surveys and to make a specific study of the processes of migration. One of the peculiarities of the Central Asian region is the high share of persons employed in the household and in personal subsidiary farming. The overwhelming majority of the indigenous population is concentrated in rural localities and in medium-sized and small cities. The excessive concentration of industry in large cities to a certain extent impedes achievement of balance between labor resources and job vacancies.

Attention was turned at the conference to the need for further industrial development as the basis for expansion of employment and for creation of new jobs for the region's fast-growing population, first of all in the economically promising medium-sized and small cities, as well as in rural areas (R. Kh. Rakhimov, director of the Economics Institute of the TaSSR Academy of Sciences, of which he is a corresponding member; L. A. Tumanov, candidate of economic sciences and director of the Tajik Branch of the Scientific Research Institute of Work; L. P. Maksakova, sector head of NII EMM [Scientific Research Institute for Economics and Mathematical-Economic Methods of Planning] of UzSSR Gosplan; and A. N. Dvoryadkina, division chief of NIEI).

If full employment is to be achieved in this region, it is important to bring enterprises closer to the places where sizable reserves of manpower exist (D. Kh. Karimov, L. A. Tumanov, V. I. Ponomarenko, sector head of NII EMMP of TaSSR Gosplan). New construction could ensure employment of a certain portion of labor resources. But this takes time, and the problem of the employment of the able-bodied population of the region should be solved today. It was noted in this connection that the problem of utilization of existing production capacity is still acute (I. S. Volokhin, division chief of TaSSR Gosplan). To be specific, the shift coefficient in branches of the industrial sector is lower in the republics of Central Asia than in the country as a whole.

Particular attention was paid at the conference to social factors in the regional context. Studying social development and the level of living in this context makes it possible to take into account total cost of the reproduction of manpower, to improve management of migration of the population, to develop branches of the nonproduction sphere, and to solve more effectively the problems of training qualified personnel (A. V. Topilin, chief specialist of USSR Gosplan).

The speakers treated the problems of training qualified personnel as an important factor for increasing the efficiency of social production. The main directions for solving the problem of vocational training were thoroughly examined at the conference.

The training of qualified personnel is bound up with increasing the mobility of local personnel, with redistribution of labor resources and with raising the level of employment of the local population. But the network of vocational and technical educational institutions is underdeveloped in the Central Asian region. The proposition was advanced that the practice should be revived of training indigenous personnel by sending them to other republics, RSFSR for example, for schooling, which would be followed by practical training at advanced enterprises at the place where they receive their training.

A specific paper devoted to the problems of training qualified personnel (I. S. Volokhin) noted that it is an important task to overcome departmental differences in the management of financial resources earmarked for personnel training. The proposal was made that the funds for the training of personnel be pooled and put at the disposition of councils of ministers of union republics.

Discussion of the scientific problems has made it possible to pose the practical and theoretical problems: the interrelated nature of research in the field of demography and optimum use of labor resources and strengthening research on methodology and theory in these fields.

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LABOR

RAYON REGULATION OF WAGES

Novosibirsk EKONOMIKA I ORGANIZATSIYA PROMYSHLENNOGO PROIZVODSTVA in Russian
No 2, Feb 82 pp 105-116

[Article by L. N. Shirokova, Candidate of Economic Sciences, and L. L. Mosina, NIITruda [Scientific Research Institute of Labor], USSR State Committee for Labor and Wages]

[Text] The increasing shortage of labor resources by the Eleventh Five-Year Plan will complicate the providing of social production with personnel in many economic regions of the RSFSR, in the Ukraine, and in the Baltic republics. This question will arise with particular acuity in the eastern rayons and in northern Kazakhstan.

In order to attract personnel and assign them permanently, application has already been made for a long period of time of a system for regulating wages, which system includes rayon coefficients and wage differentials for unbroken work longevity in the Far North, in localities that have been equated to them, and in the European North¹. A number of benefits have also been established: housing benefits, additional vacations, free travel to vacation site and return, reduction of work longevity with the right to obtain an old-age or medical pension, etc.

It is generally felt that the basic function of rayon coefficients is to reduce the differences in the material standard of living for the public and to assure real wages on an equal basis. They are used to compensate for the public's additional expenses in the northern and eastern rayons that are the result of the difference in the prices of commodities and the rates for paid services, and the differences in needs that are linked with the natural and climatic conditions.

The northern differentials serve as a means of providing advantages with regard to real wages. Unlike the rayon coefficients, which increase the wages from the first day of work at an enterprise, the differentials are paid to those persons who have the necessary work longevity in the particular rayon and they increase to a definite level depending upon unbroken longevity.

The principles and methods that were worked out in the mid-1960's for the rayon regulation of wages found their embodiment in practical activity. At the present time, use is made of the territorial-branch principle of establishing rayon coefficients. Since 1968 the coefficients have been gradually introduced for all workers and employees in the Far East, Eastern and Western Siberia, the European

North, and also for certain branches, enterprises, and organizations in the Urals, Kazakhstan, and Central Asia. There was a simultaneous expansion of the benefits for persons working in the rayons of the Far North and the areas equated to them. In 1972 wage differentials were introduced for unbroken longevity as well as other benefits, for persons working in the European North. In addition, in 1970 there was a reduction of the state retail prices of the most important food products, to the level of the prices in the first zone in Kemerovskaya Oblast and to the level of the prices in the second zone in the Far East and in Chitinskaya Oblast.

In the Eleventh Five-Year Plan it is planned to introduce, in the Urals, certain rayons of Kazakhstan, and the northern rayons of Vologodskaya and Kirovskaya Oblasts, rayon coefficients to be applied to the wages of workers and employees for whom they have not been established, and also to establish differentials for unbroken longevity in the southern rayons of the Far East and Eastern Siberia.

Steps such as this contribute to the consistent introduction of a scientifically substantiated system for the inter-rayon regulation of wages on a countrywide scale. However, during recent years, and especially during the Tenth Five-Year Plan, it has become an increasingly broad practice to introduce coefficients for individual enterprises and organizations in recognition of their special importance to the national economy. Without denying the validity of this approach, it must be understood that as a whole it is a deviation from the territorial principle of the rayon regulation of wages.

How the Coefficients "Work"

The Department of the National Standard of Living, NII Truda, regularly -- every 5-8 years -- prepares normative budgets for the minimum material requirements for the country's rayons, and on their basis ascertain the differences in the public's cost of life in the various rayons. The 1979 computations showed that the existing rayon coefficients basically correspond to those differences. However, in a number of northern and eastern oblasts, the minimal coefficients preferentially for the processing branches and the nonproduction sphere proved to be below the differences in the public's cost of life as compared with the center of the RSFSR, and even moreso as compared with Moldavian and Uzbek SSR, where the first-zone prices and the lowest prices on the kolkhoz market are in effect. Therefore, in those localities, obviously, it is desirable to raise the minimal size of the coefficients.

In the course of standardizing the wages in 1956-1960 in the production branches, as a result of the large number of previously employed coefficients, it was not possible immediately to assure their unity. Therefore, practically speaking, in every oblast there are in effect several sizes of rayon coefficients; for example, in Tomskaya Oblast, 5; in Irkutskaya Oblast and Khabarovskiy Kray, 6; in Tyumenskaya Oblast and Krasnoyarskiy Kray, 7; etc. In a few places this is influenced by the existence of several natural and climatic zones; and in a few other places, by the branch approach to the rayon regulation of wages.

The natural and climatic conditions in the northern and eastern rayons intensify the strain and worsen the working conditions at those enterprises where people

work out in the open. In those branches, increased rayon coefficients have been established. The lowering of labor productivity at low temperatures (the restriction of movements as a result of warm clothing, the formation of ice on the mined materials, the equipment, machinery, etc.) and as a result of the increased humidity of the air and the strong winds, is taken into consideration in the labor norms by the use of corrective coefficients². Therefore, the continued retention for the indicated branches and types of operations of the already increased rayon coefficients is a debatable question.

Unlike the strictly labor factors (complexity, conditions, and intensity of the labor), the factor of importance to the national economy is not linked, as a rule, with an increase in the labor expenditures, but is taken into consideration in wages as an instrument for the policy of labor payment. But it should be noted here that the importance of branches to the national economy is taken into consideration in the tariff rates in the first category, in the total range of grids, in the salary rates for ITR [engineer-technical workers] and employees, and in the maximum extent of the bonuses established for the branch, in the norms that pertain to the formation of FMP, that is, in all elements of organizing wages. At the present time, when there has been a considerable reduction in the difference in the rate to which enterprises in heavy and in light industry are provided with personnel, one would scarcely consider it to be desirable to take into consideration in the rayon coefficients the importance that the branches and enterprises have to the national economy. Perhaps it is necessary to intensify the differentiation of the tariff rates by individual branches.

Throughout 1976-1979 the Institute of Labor and its branches studied the effectiveness of the rayon coefficients and the northern differentials with regard to the attraction and assignment of personnel, by using the example of individual enterprises where the rayon coefficients were being introduced on an individual basis, as well as those that were situated in the rayons of the Far North, in localities equivalent to them, and in the European North.

It was ascertained, in particular, that the introduction (increase) in the rayon coefficients on an individual basis, that is, without being connected with the differences in the public's cost of living, in most instances did not yield the desired results. When raising the wages, the state has a right to expect an increase in the output of production. However, after the introduction (increase) of the rayon coefficients, 31 percent of the enterprises that were studied by us failed to fulfill the plans for production of output, and 44 percent failed to fulfill the plans for increase in labor productivity.

When making a request concerning the introduction or increasing of the rayon coefficients as an exceptional case, the enterprises and organizations explain the nonfulfillment of the planned indicators, in most instances, by the shortage of manpower or by the increasing turnover rate. Study showed that the rate to which the enterprises and organizations were provided with personnel has somewhat improved. Whereas, during the year before the introduction (increase) in the rayon coefficients 67 percent of the studied enterprises had a total number of industrial-production personnel below the planned number, during the year of introduction (increase) that figure was only 42 percent. Among the enterprises studied, the ones that were best provided with personnel were those in ferrous and

nonferrous metallurgy, where there is an opportunity to pay people higher wages. However, the turnover rate dropped not at all the enterprises that were studied, and at 38 percent of the enterprises that rate even increased. At a number of them, for example, in the ship-repair yards in Vladivostok, where the rayon coefficients were raised in 1975-1977, the turnover rate increased. That occurred under the influence of factors that are not directly linked with wages.

It should be pointed out that at most of the enterprises that were studied, the low rate of provision with wages is not the basic reason for a person's leaving the job at his own request. But with the introduction (increase) in the rayon coefficients, the percentage of persons who left the job for that reason dropped. For example, at the Selenginsk Woodpulp and Cardboard combine in 1973, the number of persons who quit because they were dissatisfied with wages was 11.6 percent; and because they were dissatisfied with the housing with which they were provided, 51.8 percent; and in 1976 (after the rayon coefficient was raised), respectively 1.6 and 67.5 percent; the figures for the Pervomayskiy Ship-Repair Yard (Vladivostok) in 1976 were 12.1 and 75.2 percent; and in 1977, 11.7 and 78.2 percent. The basic reason for quitting enterprises where the personnel are drawn chiefly from persons who have arrived there from other localities is that they have to travel to living accommodations outside the city limits as a result of the difficult natural and climatic conditions, and also have to travel to their previous place of residence, to visit their relatives, etc.

The problem of attracting and permanently assigning personnel is a comprehensive one which requires, in addition to the increase in the wages, the resolution of a number of tasks that are linked with the standard of living: the rate of provision with housing and children's preschool institutions, and the development of the services sphere. In addition, during recent years the higher level of wages in individual rayons and at individual enterprises and construction sites has not always provided the desired effect as a result of the unsatisfactory extent to which the monetary mass is provided with commodity and material resources. The ministries and departments fail to devote the proper attention to this, shifting the problem onto the shoulders of the local agencies. This weakens the influence that rayon regulation has upon the attraction and assignment of personnel, and also upon the increase in the labor participation of the workers.

In economic literature and practical activities, there has existed for a long period of time the opinion that it is necessary to increase the payment of labor first of all for the workers in the leading occupations. Therefore, at many enterprises the rayon coefficients have been established only for the wages paid to the industrial personnel. During the 1960's this approach, possibly, was justified, since, in view of the availability of uncommitted labor resources, the enterprises strove to assign first of all the skilled workers. At the present time a question that arises with increasing acuity is the question of assigning personnel in the unattractive work sectors, and also in the services sphere. For example, at enterprises in Cherepovets a rayon coefficient has been established only for the wages paid to the industrial-production personnel. For the nonbasic personnel the average wages, as a result of the lower rates (salaries), lower sizes of the bonuses, and the lack of a rayon coefficient, is 43.4-58.8 percent less. Hence the increased turnover rate for workers at children's institutions, in trade, public nutrition, the housing and municipal economy, etc., the rate to which those subdivisions are provided with personnel,

and, as a consequence, the insufficient rate to which the public is provided with everyday and social-cultural services.

Individual ministries have been successful in using rayon coefficients for the purpose of luring personnel to them. As a result there has been an intensification of movement among the workers in the city (rayon). For example, in 1979 as compared with 1976 at those enterprises in Cherepovets where the rayon coefficient was raised in 1978, the turnover rate dropped, but at others it rose. The difference in the turnover coefficient between them increased from a factor of 1.9 to a factor of 2.1.

At all enterprises the rate of provision with personnel is worse in the subsidiary shops and sectors. There is an especially acute shortage of workers in the integral-process occupations: fitters and electricians for repairing the equipment, workers engaged in subsidiary operations and those employed in transporting and loading and unloading operations.

The question of introducing (raising) the rayon coefficients for individual enterprises and construction sites should be tied in with the interests of developing the branches as a whole. At the present time the sources and scope of the manpower that can be redistributed into the northern and eastern rayons remain outside the rayon. The labor resources arrive basically not from those rayons in which there is a reserve, but, rather, from those places where the need for them is felt with particularly acuity. And this means primarily from the territories on which the new construction projects are situated. For example, from the beginning of 1977 there was an increase from 1.30 to 1.60 in the rayon coefficient for the construction workers at the Boguchanskaya GES in Krasnoyarskiy Kray. Out of the total number of persons who arrived in 1977-1978 for the construction of the GES, two-thirds had previously worked in Krasnoyarskiy Kray or Irkutskaya Oblast. Among them, 30-45 percent were construction workers; 6-17 percent were workers in agriculture; and 23-28 percent in various branches of industry (approximately half of them were timber cutters).

The Effect of the Coefficients and Differentials Can Be Improved

The basic trend for intensifying the incentive role of rayon regulation of wages, in our opinion, is the extension of the differentials for unbroken longevity in the rayons with difficult natural and climatic conditions. Practical life has demonstrated their desirable influence upon the attraction and assignment of personnel. This is confirmed by the higher growth rates for the population in the North. For example, with an increase of 17 percent in the population of the RSFSR in 1959-1979, that increase was 70 percent in Murmanskaya Oblast, 37.2 percent in Komi ASSR, 97.5 percent in Magadanskaya Oblast, 71 percent in Kamchatskaya Oblast, 72.3 percent in Yakutskaya ASSR, etc. In addition, the number of persons desiring to work there has grown. The Job-Location Department in Arkhangel'skaya Oblast in 1976 received from residents of other oblasts 4 times more requests than had been received in 1972. There was a considerable increase in the flow of letters to the Job-Location Department in Komsomol'sk-na-Amure after it was designated to be in a locality equivalent to the rayons of the Far North. Among those desiring to work in Arkhangel'sk, in 1976 jobs were located for 57.5 percent; in Komsomol'sk-na-Amure in 1978, 55.7

percent. The rest of those desiring work were refused, principally because of the housing problem. The introduction of differentials for longevity contributes to reducing the turnover coefficient. For example, in the industry in Komsomol'sk-na-Amure that coefficient dropped by 6.3 points in 1978, as compared with 1974. There has been a reinforcement of labor discipline and a reduction in the losses of work time, particularly losses as a result of authorized absences from work.

Taking into consideration what has been stated, the differentials for longevity, following the southern rayons of the Far East and Eastern Siberia, could be beneficially introduced in Western Siberia and the Northern Urals, where it is planned to carry out the accelerated exploitation of natural resources and to create large-scale territorial-production complexes. Simultaneously this would make it possible to eliminate the sharp difference in the payment of the labor in the rayons of the Far North, in the localities equivalent to them, and in the remaining eastern rayons.

In these rayons one differentiates two spheres for the regulation of wages: in one, only rayon coefficients operate, and in the other, rayon coefficients, northern differentials, and a number of other benefits. This kind of sharp division has its undesirable aspect. To the south of these territories there is formed what is, in a certain sense, an economically "dead" zone, in which it is more difficult to provide the enterprises with manpower because of the increased migration of the population and the increased turnover rate. Attention has been directed repeatedly to this aspect of rayon regulation³.

In economic literature in recent years there has been advanced the requirement of intensifying the territorial differentiation of wages, of increasing the material self-interest in attracting and assigning personnel chiefly in the areas of new industrial assimilation⁴. In practice, increased coefficients (those increased by 0.1-0.4 points) have been established for the overwhelming majority of new construction sites in the northern rayons of the country, as well as in Kazakhstan. Gradually, as one observes a transition to a higher stage of industrial assimilation of the territory, the creation of a stable collective of workers, the expansion of the sphere of services for the public, that is, the elimination of the factors which, during the initial period of assimilation, had served as the logical basis of the increased coefficients, their application becomes unsubstantiated. However, the increased coefficients have not been abolished.

In order to eliminate the shortcoming that has been noted, various recommendations were made. As long ago as 1964, Ye. I. Kapustin wrote that "differentials added onto wages for the purpose of attracting and assignment personnel. . . must be changed periodically, since there are changes in the assimilation of the rayon, the development of transportation, and the acuity of the need for various kinds of personnel"⁵. N. P. Kalinovskiy, developing that proposal, suggested, "The size of the differentials for the purpose of attracting personnel can change or can be entirely abolished when various branches of the national economy cease to feel a sharp need for personnel"⁶. A proposal that is close to their proposal is the one made by Yu. Ye. Pak, who feels that "it is more correct to

establish rayon coefficients in the newly assimilated rayons for construction workers according to a sliding scale, which coefficients are high for the initial assimilation and have a gradual (annual) reduction to the normal size as the rayon is economically assimilated"⁷.

In our opinion, for construction workers in rayons where there is new industrial assimilation it would be desirable to introduce special differentials to be added to wages to compensate for the fact that the locality has not been built up. Those differentials should contribute to the permanent assignment of the newly arriving population and, to a definite degree, should neutralize the insufficient volume and quality of the housing-and-municipal and social services. In order for the differential to be more effective, it should be higher during the initial period of assimilation and subsequently, as the workers settlement (settlement) is built up, should be gradually reduced. After the expiration of a definite deadline the payment of the differential should be completely discontinued. This form of material incentive will make it possible in a more flexible manner to provide incentives for the workers and to compensate them for their expenses which are linked with factors of a temporary nature. At the same time these differentials will be an additional incentive to encourage the workers to change over to new construction, since in the particular locality (at the particular construction site) they will no longer be in effect.

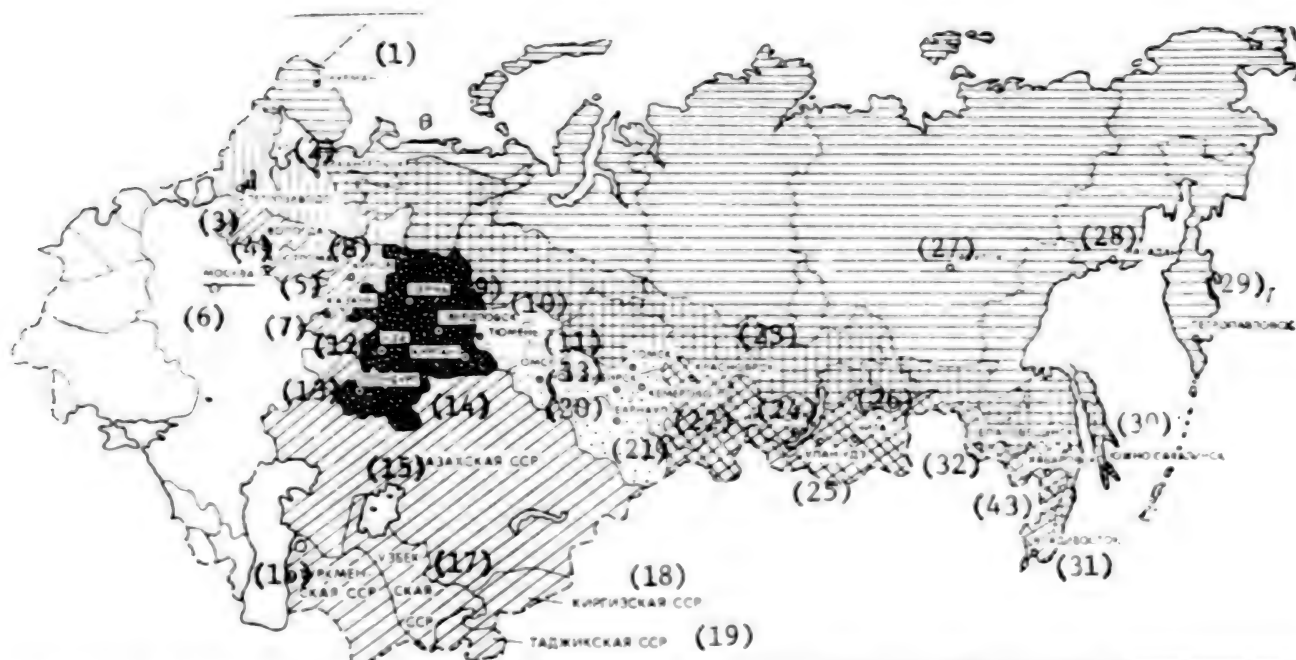
In conclusion we would like to note that, in order to have the rayon coefficients and northern differentials fulfill the functions that are inherent in them, it is necessary to form correctly the funds to pay the labor. The ministries and departments, when planning the labor payment funds for the enterprises in the northern and eastern rayons, in many instances proceed from more stringent conditions, determining the average percentage of norm fulfillment, forming the material-incentive funds, etc. These enterprises and organizations have fewer opportunities to overfulfill the planned indicators, because of the difficult natural and climatic conditions, interruptions in supply with raw and processed materials, and the higher personnel turnover rate. The shortcomings in the planning of funds for the payment of labor reduce the incentive function of the rayon coefficients and differentials in attracting and assigning personnel.

FOOTNOTES

1. Hereinunder, for the sake of brevity, referred to as "northern differentials."
2. *Yedinye normy i rastsenki na stroitel'nyye, montazhnyye i remontno-stroitel'nyye raboty. Obshchaya chast'* [Unified Norms and Rates for Construction, Installation, and Repair-and-Construction Operations: General Part], Moscow, Stroyizdat, 1974, pp 11-20; *Yedinye kompleksnyye normy vyrabotki i vremeni na pogruzochno-razgruzochnyye raboty, vpolnyayemye v morskikh portakh* [Unified Comprehensive Individual-Output and Time Norms for Loading and Unloading Operations To Be Executed in Sea Ports], Moscow, TsBNT [Central Bureau for Labor Norms], attached to NIITruda, 1978, pp 57-60; *Yedinye normy vyrabotki i vremeni na vagonnyye, avtotransportnyye i skladskiye pogruzochno-razgruzochnyye raboty* [Unified Individual-Output and Time Norms for Railroad-Car, Motor-Transport, and Warehouse Loading and Unloading Operations], Moscow,

"Transport," 1977, pp 190-193; *Yedinyye normy vyrabotki na otkrytyye gornyye raboty dlya predpriyatiy gornodobyvayushchey promyshlennosti. Ekskavatsiya i transportirovaniye* [Unified Individual-Output Norms for Open Mining Operations for Enterprises in the Extractive Mining Industry: Excavation and Transportation], Moscow, "Nedra," 1971, pp 4-5, 258-262; etc.

3. Gukov, V. P., "Experience in Economic Assimilation of the Middle Angara Area," EKO, No 1, 1957, pp 86-87; *Problemy razvitiya rayonov s ekstremal'nyimi prirodnymi usloviyami* [Problems of Developing Rayons With Extreme Natural Conditions], Irkutsk, 1976, pp 46-47.
4. *Sistema upravleniya trudem v razvitom sotsialisticheskom obshchestve* [System of Administering Labor in the Developed Socialist Society], Moscow, "Ekonomika," 1980, p 210; Markov, V. I., *Oplata truda v sisteme upravleniya ekonomikoy razvitogo sotsializma* [Payment of Labor in the System of Administering the Economy of Developed Socialism], Moscow, "Ekonomika," 1980, pp 116-117.
5. Kaputsin, Ye. I., *Kachestvo truda i zarabotnaya plata* [Labor Quality and Wages], Moscow, "Mysl'," 1964, p 310.
6. Kalinovskiy, N. P., *Rayonnyye razlichiya real'noy zarabotnoy platy rabochikh i sluzhashchikh* [Rayon Differences in the Real Wages of Workers and Employees], Moscow, "Ekonomika," 1966, p 108.
7. Pak, Yu. Ye., *Ekonomika truda v stroitel'stve* [Economics of Labor in Construction], Moscow, Stroyizdat, 1978, p 213.



- (34) ТЕРРИТОРИИ ГДЕ РАЙОННЫЕ КОЭФФИЦИЕНТЫ УСТАНОВЛЕНЫ К ЗАРАБОТНОЙ ПЛАТЕ ВСЕХ РАБОЧИХ И СЛУЖАЩИХ
- (35) — районы Крайнего Севера
- (36) — местности, приравненные к районам Крайнего Севера
- (37) — Европейский Север
- (38) — районы где планируется ввести надбавку за стаж работы в 11 лет
- (39) — остальные районы
- (40) ТЕРРИТОРИИ ГДЕ РАЙОННЫЕ КОЭФФИЦИЕНТЫ УСТАНОВЛЕНЫ К ЗАРАБОТНОЙ ПЛАТЕ РАБОЧИХ И СЛУЖАЩИХ
- (41) — производство тяжёлых металлов
- (42) — индивидуальные предприятия и организации

[Key]: 1 - Murmansk; 2 - Arkhangel'sk; 3 - Petrozavodsk; 4 - Vologda; 5 - Kostroma; 6 - Moscow; 7 - Kazan'; 8 - Kirov; 9 - Perm'; 10 - Sverdlovsk; 11 - Tyumen'; 12 - Ufa; 13 - Orenburg; 14 - Kurgan; 15 - Kazakh SSR; 16 - Turkmen SSR; 17 - Uzbek SSR; 18 - Kirgiz SSR; 19 - Tajik SSR; 20 - Novosibirsk; 21 - Barnaul; 22 - Kemerovo; 23 - Krasnoyarsk; 24 - Irkutsk; 25 - Ulan-Ude; 26 - Chita; 27 - Yakutsk; 28 - Magadan; 29 - Petropavlovsk; 30 - Yuzhno-Sakhalinsk; 31 - Vladivostok; 32 - Blagoveshchensk; 33 - Omsk;

34 - Territories where rayon coefficients have been established for wages paid to all workers and employees; 35 - rayons in the Far North; 36 - localities equivalent to rayons in the Far North; 37 - European North; 38 - rayons where it is planned to introduce a differential for work longevity during the Eleventh Five-Year Plan; 39 - remaining rayons;

40 - Territories where rayon coefficients have been established for wages paid to workers and employees in the; 41 - production branches; 42 - individual enterprises and organizations;

43 - Khabarovsk.

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5075

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LABOR

CRITERIA FOR WAGE RAISES DISCUSSED

Novosibirsk EKONOMIKA I ORGANIZATSIYA PROMYSHLENNOGO PROIZVODSTVA in Russian No 2, Feb 82 pp 116-123

[Article by M. P. Loznevaya, senior scientific staff member, and L. S. Kheyfets, candidate of economic sciences and chief of the NIITruda [Scientific Research Institute of Labor] wage systems sector, Moscow: "The Salary Increase"]

[Text] For over 15 years a system of salary increases for foremen and other ITR's [engineering and technical personnel] has been in effect. However, it has not been fortunate in the economic literature. The practice of their application is based principally on intuition. And although the effect in terms of improving the incentive of ITR's to increase skill and production indicators is obvious, it could be much greater.

How can more tangible results be achieved? Especially as the total sum of funds for establishing the raises has been increased up to 1 percent of the wage fund of an enterprise's workers, that is, it has more than tripled. Among those having the right to them are employees with high skill. The maximum amount of the increases added to salaries of designers and technologists has been raised from 30 to 50 percent. As usual, preference for the increase is retained for foremen.

/In the NIITruda, a method of expert criteria has been adopted to establish the salary increases and the procedure for their use and cancellation. More than 2,000 experts from production associations and enterprises in industry, construction, railway transport and the maritime fleet have been helping to set up a simple mechanism to evaluate personal labor contribution and the answer to the question of whether an increase should be established for a worker.

/Among the experts are managers, their deputies, chief engineers and department heads, administrators of groups and bureaus, chiefs of shops and sections, senior engineers, designers, technologists, mechanics, power engineers, and economists. Four branches of the NIITruda and 30 sectorial scientific research organizations have taken part in the work. The results of the investigation are set forth below. /in boldface/

What to Take into Account when Establishing Increases

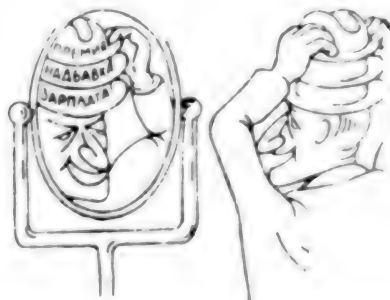
The experts were ordered to state their opinion on the factors which, in their view, most completely characterize the indicators and conditions for establishing an increased wage for high skill. It was important to take into account: 1) the worker's principal indications of skill (level of education, category and length of service); 2) personal, workmanlike characteristics (ability, attitude toward labor and creativity, social activity, consciousness); 3) ability to get results, fruitfulness of labor efforts; and 4) the level of complexity of functions performed (to achieve objectivity in evaluating the labor contribution). The experts also were asked about the factor of production conditions (type of production, the level of mechanization and automation, management structure, and the like), often taken into consideration in the practice of adopting supplementary payment.

Differences in the size of the groups (from 10 to 200 experts) could not help but have an effect on the final data. For characteristics of the extent of agreement or divergence in opinions, groups were distributed in accordance with the rankings of factors which correspond to the proportion of experts who mentioned the need to take a given factor into account. The first ranking means that the largest number of experts supported a given factor, and the smallest proportion corresponds to the sixth ranking (See Table 1).

TABLE 1

Distribution of groups of experts by the ranking of factors

Factors	Rankings						All expert groups	Average Ranking
	1	2	3	4	5	6		
Education	-	5	6	10	7	1	29	3.75
Length of service	1	4	7	12	5	-	29	3.88
Workmanlike qualities	29	-	-	-	-	-	29	1.00
Work complexity	1	6	12	7	3	-	29	2.83
Labor results	-	17	5	5	2	-	29	2.72
Production conditions	-	-	1	1	7	20	29	5.58



Hat inscriptions, reading from top to bottom: bonus, salary increase, wages.

This is how the experts' opinions were distributed: education was considered important by 57 percent, length of service by 57 percent, workmanlike qualities by 92 percent, complexity of work by 62 percent, labor results by 71 percent, and production conditions by 31 percent.

Evaluation of first place by the number of experts in all 29 groups, received by workmanlike qualities, does not give rise to difficulties. A high degree of significance is attached to an accounting of the results of labor, and their close correlation and conditionality is emphasized by the level of workmanlike qualities. In 17 of the 29 groups this factor holds second place by the proportion of experts.

The most lack of agreement among the experts arose in discussing the need to take education into account. In five groups this factor held second place (after workmanlike qualities), and in six groups it held third place. A rather significant number of the experts in general do not consider it necessary to consider it in establishing wage increases. In our view, education mainly reflects the potential capabilities of a worker, and it should be taken into account as a condition. The divergence in views on the necessity of taking length of service into account is particularly significant. In our view, length of service is not an indicator, but a condition for establishing wage increases.

How to Establish Wage Increases

The factors cited above represent generalized groups of indications, each of which should be defined concretely according to sectors, occupations, and positions. A model listing of indications for the concrete definition of workmanlike qualities, complexity of work and results is provided in Table 2.

It was decided by the majority of experts that higher education should be a condition for establishing salary increases for the following ITR positions: managers of all levels, including chief specialists, chiefs of departments and shops and their deputies; technologists, designers, engineers, senior engineers, mechanics and dispatchers. Secondary specialized education is required for foremen, senior foremen, bookkeepers, and inspectors of personnel departments. Deviations are permissible in individual cases when, for example, the matter concerns a worker with long service who is experienced, capable and needed by an enterprise.

What form of length of service should be taken into account as a condition for establishing salary increases? The opinions of the experts (many were mentioned twice) were distributed in the following manner: in a given occupation, 70 percent; in a given enterprise, 46 percent; and in general, 16 percent. Many experts believe that length of service in a given occupation should be combined with length of service at a given enterprise. It is supposed that a worker's contribution to the end results of a certain enterprise is thereby evaluated to a certain extent, and that salary increases thus substantially stimulate the consolidation of personnel.

TABLE 2

Model chart evaluating the personal labor contribution of specialists in the design services of machine building enterprises*

Sign Services of Machine Building Enterprises				
Elements of evaluation and their indications	Relative signifi- cance of indica- tions (in parts of a unit)	Degree of evaluation		Evaluation of indication with regard for its significance
		Norma- tive	Above Norm	
WORKMANLIKE QUALITIES				
Competence	0.33	+		0.33
Ability to efficiently organize and plan his work	0.07	+		0.07
Consciousness of responsibility for work being performed	0.25		+	0.50
Independence and initiative	0.14		+	0.28
Ability to assimilate new produc- tion and use new methods in work	0.08		+	0.16
Capacity for work	0.08		+	0.16
Ability to maintain contacts with other workers	0.05		+	0.10
Summary evaluation	1			1.00
RESULTS OF LABOR				
Amount of planned and non-plan work (targets) fulfilled	0.29		+	0.58
Quality of work performed	0.39	+		0.39
Observance of periods for carrying out work (targets)	0.32	+		0.32
Summary evaluation	1			1.29
COMPLEXITY OF FUNCTIONS PERFORMED				
Novelty and element of creativity	0.26		+	0.52
Complexity of design drafting	0.25		+	0.50
Diversity of operations	0.23		+	0.46
Additional responsibility for work results	0.26		+	0.52
Summary evaluation	1			2.00

* The complex of indications to evaluate specialists' personal labor contribution and their relative significance have been stipulated by the Methodical Recommendations to Evaluate the Workmanlike Qualities and Labor Results of Designers and Technologists at an Enterprise for Certifying and Establishing Salaries (NIITruda, 1979). Indications for the basic factors are determined and receive "weight" at enterprises.

The period in which the effect of factors should be taken into account in establishing wage increases must be determined in conformity with the specifics and nature of the labor of a given occupational group. But under all conditions it should be of sufficient duration for a worker to prove himself in labor and in order to evaluate his contribution most objectively. The factor of chance must be excluded. The experts' views on this matter were distributed as follows: 5 percent stated 6 months, 62 percent said 1 year, 30 percent stated 2 years, and 3 percent said 3 years and more. Apparently, we should agree with the majority of experts and consider a year the best period.

How Long the Salary Increase Is in Effect

A system of salary increases for higher skill should create confidence in the worker that his initiative and improved labor activity will be recognized and be materially rewarded. On the other hand, the salary increase should not be an "eternal" salary increment. It should carry roughly the same weight as extra piece-rate earnings in a worker's salary and be compensation for labor with high output and the best results. It should not give rise to complacency, but provide incentive for constant striving to expand knowledge, enrich experience, and improve the results of labor. The most acceptable period is a year. We and 50 percent of the experts believe this; 11 percent of them support a 2-year period. A rather large proportion of the specialists questioned propose the establishment of salary increases without a time limitation. Let us add that establishing the salary increases for a year does not mean they are canceled after a year has expired. Only an annual confirmation in a definite procedure is being proposed. When the conditions approved are not observed, the salary increase should be revoked after a year has expired.

Research has shown that it is expedient to establish and revoke salary increases for the majority of ITR's (specialists and technicians) on the basis of the decision of a permanent skills commission. At the same time, the immediate supervisor's opinion must carry the greatest weight. Evidently it is unsuitable to subject the quality of labor of supervisory workers to a procedure of discussion in commissions. Salary increases in these cases should be established or revoked on the basis of the enterprise manager's decision.

How to Differentiate Salary Increases

Differentiation of salary increases requires an answer to the following questions: Should increases be established at an absolute or a relative rate? Is an inter-occupational differentiation needed? In accordance with which indications should increases within a similar occupation be differentiated? What approximately should the mechanism of differentiation be?

The expert appraisal conducted makes it possible to draw the conclusion that it is more expedient to establish increases at an absolute rate, but not in a percentage of salary. This is psychologically clearer for workers, simplifies accounting work, and in addition, excludes the possibility of an unfounded rise in the increases when the salary system is reviewed.

The interoccupational differentiation is necessary so that the correlations in the salaries of workers at different occupational levels which have been put in the salary system are not disrupted. The rates of increases should rise in accordance with the level of requirements for a skill; the stricter they are, the higher the stage in the occupational hierarchy.

Increases within similar occupations must be differentiated in conformity with the significance of a worker specifically expressed according to the sum total of indications which have been determined. In the experts' discussion, several variations were proposed in the bases for differentiation: overall evaluation of personal labor contribution, including evaluation of workmanlike qualities, results of labor and complexity of functions performed; evaluation of just the worker's workmanlike qualities; and insufficiently high salary level. In selecting several variations at the same time, 47 percent of the experts advocated that differentiation be conducted in conformity with differences in personal labor contribution over an extended period of time, 64 percent said that it should be in accordance with workmanlike qualities, and 20 percent stated that it should be in connection with insufficiently high salary level. We must agree with the majority opinion that differentiating increases based on insufficiently high salary level (as this is often done in practice) is essentially incorrect.

The majority of the experts propose that a worker's workmanlike qualities be the basis for differentiating increases. However, a substantial proportion of those questioned justly consider it insufficient to take only them into account for recognition of a worker's high skill, especially for technically complex specialties. Together with the complexity of the functions performed and the results of labor specified at enterprises for occupations in accordance with the specific nature of the work, workmanlike qualities should form the basis for overall evaluation of workers' labor contribution, which in turn serves as the basis for establishing the rate of increase.

The mechanism of differentiating increases according to an overall evaluation may be created, for example, on the basis of the simplest two-point scale proposed by the Belorussian branch of the NIITruda. The rate of the increases depends on the extent to which the standardized magnitude of a personal labor contribution, which is taken as a unit, is exceeded. Evaluations exceeding the norm are set within the limits of 1.1 to 2.

Under the supervision of a permanent skills commission for every worker for whom an increase is proposed, evaluation charts are filled in which represent a consistent estimate of the evaluations of personal labor contribution. The right to receive increases is given to workers whose overall evaluations are higher than the norm, that is, over the range of 1.1 to 2. The rate of the increases is determined in accordance with the extent to which the norm is exceeded on the special scale (Table 3).

Additional conditions for establishing increases are the level of education corresponding to the skill requirements for a given occupation, length of service in an occupation (for example, not less than 5 years), and at a given enterprise (not less than 3 years).

TABLE 3

Model scale for differentiating salary increases in accordance with the levels of overall evaluations of workers' personal labor contribution

<u>Levels of overall evaluations of personal labor contribution</u>	<u>Rates of salary increase for high skill, in rubles</u>
1.1 - 1.25	20
1.26 - 1.45	30
1.46 - 1.65	40
1.66 - 1.85	50
1.86 - 2	60

It should be noted that the majority (74 percent) of the experts consider it necessary to compile an annual estimate of funds expenditure for the payment of salary increases. Such an estimate is a form of accounting and verification. At the same time, it makes it possible to more efficiently utilize funds and will help to allocate the total sum among the categories of workers and production units.

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COEFFICIENT-SHARED PAYMENT OF LABOR

Novosibirsk EKONOMIKA I ORGANIZATSIYA PROMYSHLENNOGO PROIZVODSTVA in Russian
No 2, Feb 82 pp 131-139

[Article by A. I. Gol'denberg, Candidate of Economic Sciences; Central Economic Mathematics Institute, USSR Academy of Sciences, Moscow: "Coefficient-Shared Payment of Labor"]

[Text] In the past, difficulties with regard to the manning of the shop administration at enterprises were, to a large extent, explained by its relatively low wages as compared with highly skilled workers. The increase in the wages and the change-over to the piecework-plus-bonus system of payment contributed to an improvement in the activity and the stabilization of the shop administration's personnel, but the system of payment continued to be insufficiently improved.

During the past few years it was substantially reorganized. At first, with the time-plus-bonus systems of payment for the labor performed by the administration, the bonus was paid for each of the two or three indicators for which the bonus was payable, so long as one of several additional conditions pertaining to the payment of bonuses were observed. The shortcoming of this kind of system is the rigid dependency of the payment of each type of bonus upon the fulfillment of any of the conditions for payment of the bonus, which could, to a decisive degree, depend not upon the particular worker, but upon the entire production situation.

With the rather intensive conditions of payment of the bonus, very frequently the worker could be deprived of the bonus on the basis of one or several indicators, and therefore the observance of those conditions was monitored with varying degrees of demandingness, depending upon the financial status of the appropriate production subdivision or the entire plant as a whole. The bonus frequently represents a mechanical addition to the salary paid to all workers in the particular subdivision (provided there is a relatively favorable production situation) and therefore it was insufficiently effective in executing its role as an incentive.

After the increase in the fund for paying for the labor performed by the administrative personnel, there was a changeover to the piecework-plus-bonus system of paying the workers in the administration of a number of the leading shops. For example, a shift foreman in a production sector (with a salary of 150 rubles a month) received 2 rubles for each percentage of overfulfillment by his shift of the plan for production of commercial output. In addition, in the event of

fulfillment of the plan within the established nomenclature, the lack of any critical comments with regard to the quality of output, and the lack of any overexpenditure of the wage fund, the foreman was paid a bonus in the amount of 50 percent of his piecework wages. But with strict supervision to assure the observance of the three indicated conditions, he was, as a rule, deprived of the bonus.

This system of payment did not provide any incentive for a number of important production indicators, and the basic indicator -- the fulfillment of the production plan -- was given unsatisfactory incentive. Actually, the fulfillment of the production plan, in the real-life situation, fluctuates, say, from 98 to 102 percent, and therefore a deviation in the payment of a foreman's wages by 4 rubles as compared with the average level cannot provide an effective incentive for his increased labor activity or even for striving to fulfill the plan.

The changed system of paying for labor gives the shop administration a self-interest in the fulfillment of the production plan, but at the same time it encourages people to sacrifice the quality of the output for the sake of fulfilling the plan that is being threatened. In the event of nonfulfillment, the foreman knows that he will be deprived of 150 rubles of his wages (50 rubles of the piecework earnings, plus 100 rubles of bonus on the basis of the quality indicators). Even if he completely ignores the claims lodged by the technical control, he can lose one-third, and that is only in the event that the checkers occupy a rigid position, which can frequently be softened by citing objective circumstances.

With this system of payment, the quality of output is compensated for poorly, disproportionately with those conditions which are required of the foreman for guaranteeing it when the objective circumstances are unfavorable. Such important production indicators as rhythmical operation, the reduction of personnel turnover, etc. are not provided any incentive at all. And it is impossible to do this under conditions of the bonus-payment method when an overall bonus is received as a sum for individual indicators, and the share of the bonus with respect to the basic wages is limited. The increase in the number of indicators for which the bonus is payable leads to a reduction in the bonus for each separate indicator. The worker is given the opportunity to sacrifice the bonus for the most labor-accessible indicator without a substantial decrease in the overall size of the bonus.

The present method of paying a bonus makes it possible to "penalize" the worker for the crude disregard of some individual indicator only in the form of depriving him of the corresponding type of bonus (but no more than that), although the loss that was caused by the worker requires, and the overall sum of the bonus that is payable to him enables, the material punishment of him for a larger amount. In addition, the addition of each additional indicator for payment of the bonus leads, as we have already said, to a reduction in the share and in the incentive action of the bonus for each of the indicators for payment of the bonus.

These difficulties are overcome if one uses the so-called coefficient-shared system (KDS) of payment for labor, which system has a number of advantages as compared with the existing ones.

At the Odessa Plant for Agricultural Machine-Building, a similar system has been employed for several years in paying the piece-workers. Depending upon the evaluation of the work quality, their piecework wages are multiplied by a corrective coefficient which varies from 1.0 for an evaluation of excellent quality to 0.8 for satisfactory. The total amounts of the deductions from wages are channeled into the providing of additional bonuses to the workers who have achieved high quality of labor. A similar system is employed to pay the labor performed by the OTK [Department of Technical Control]. At the Tula Machine-Building Plant the coefficient principle of paying bonuses is employed for paying the labor performed by engineers. According to computations made by plant economists, the effectiveness of their labor by one ruble of wages more than quadrupled during a five-year period.

In conformity with this system, the fund to pay for the labor performed by each plant service is distributed among its workers proportionately to their labor contribution (their share in the joint result of the labor). The contribution itself is characterized by a coefficient which is defined as the product of the tariff coefficient of the particular worker multiplied by a number of others that reflect his achievements (or omissions) on the basis of certain production indicators.

Let us use an arbitrary example to demonstrate the method of employing the KDS. The line personnel in the production sector consist of three shift foremen and one senior foreman: F1, F2, F3, and SF. Their tariff coefficients are equal, respectively, to 1 and 1.15. One uses the following scales to change the coefficients for the payment of bonuses. The upper line of each scale shows the indicator for payment of the bonus; and the lower line shows the value of the coefficient for the payment of the bonus.

Scale for payment of bonuses for fulfillment of production plan (P):

98%	99%	100%	101%	102% or more
0.9	0.95	1	1.05	1.1

Scale for payment of bonuses for fulfillment of the plan for nomenclature (N):

90%	91-95%	96-98%	99-100%
0.8	1	1.1	1.2

Scale for payment of bonuses for quality of output (Q):

less than 0.7-0.8	0.81-0.9	more than 0.9
1	1.1	1.2

Scale for payment of bonuses for rhythmical nature of production (R):

less than or equal to 0.8	more than 0.8
1	1.05

Scale for payment of bonuses for lack of violations of labor or technological discipline (D):

violations present	no violations
1	1.05

For the sake of simplicity, let us assume that all the shifts have fulfilled the production plan and that the fund for the payment of the labor performed by the line personnel in the sector constitutes 1245 rubles ($300 \times 3 + 300 \times 1.15$). Let us consider two versions of distribution of the fund among the foremen (see table). The coefficient of the labor contribution, for example, for the senior foreman in the first version is obtained by multiplying his tariff coefficient (1.15) by the bonus-payment coefficients N, Q, R, D:

$$1.53 = 1.15 \times 1.05 \times 1.1 \times 1.1 \times 1.05 \times 1.$$

The wages to be paid per unit of coefficient of labor contribution in the first version come to:

$$1245 \text{ rubles: } (1.75 + 1.33 + 1 + 1.53) = 222 \text{ rubles.}$$

The wages for the first foreman in this instance is equal to $222 \text{ rubles} \times 1.75 = 388 \text{ rubles}$.

In this example, no consideration was taken of the instance of application of the "punitive" values of the coefficients for payment of bonus (0.8). However, one can see graphically the importance of a change in the wages of the foremen depending upon their achievements, as judged by various indicators. In the first version the wages differ by 166 rubles. Apparently this difference is an effective incentive for increasing the labor activity rate of the third foreman.

In the second version there has been, as it were, a nonessential redistribution of the indicators and coefficients for payment of bonuses among the foremen. The indicators for the second and senior foremen did not change, but the relatively small coefficients for payment of bonuses for the first and third foremen changed in places, since the ratio of the P, R, and D coefficients changed for them. As a result, the gap in the payment made to these foremen was reduced to less than one-third, reaching 51 rubles. With the system existing at the plant, it would have been 4-6 rubles. This indicates the capabilities of the KDS with respect to increasing the self-interest that the workers have in high achievements with respect to a broad group of production indicators.

The elements of the KDS have been employed in our economy for a long time. Since 1918, the tariff system for payment of labor has been constructed according to the coefficient principle. For example, the hourly wages of a piece-worker are obtained by multiplying the hourly tariff rate for a worker in Category 1 by a tariff coefficient, a coefficient for arduousness of labor, and by a coefficient for the fulfillment of the individual-output norm. The same situation pertains to the distribution of the collective wages with the application of KTU.

However, a substantial difference present in the most general form of KDS lies in the fact that the system makes it possible to provide an effective incentive for the labor activity rate of the workers for a group of indicators that is as broad as one wants. Unlike the present principle of paying bonuses, with the one that is being considered the increase in the number of coefficients does not change the multiple influence of each of them upon the overall size of the worker's earnings. This influence does not depend upon the number of indicators, but is determined only by the ratio of the coefficients for payment of bonuses.

A number of indicators (such as the rhythmical nature of production or personnel turnover) have chiefly a control nature. For example, when the production situation is favorable, rhythmical operation cannot serve as a reason for a significant increase in the size of the wages. However, a substantial violation of it, which disorganizes the work of the entire subsequent technological chain, is an objective basis for a tangible material punishment of the person who was responsible for it. For example, when the rhythmical operation is satisfactory, one can employ a small increase in the coefficient of payment of bonuses (say, to 1.05), but when it is unsatisfactory, one can employ a significant reduction (for example, to 0.8). In this instance the coefficient fulfills not only an incentive function, but also, when needed, a punitive function, which, with the summary principle of payment of bonuses, is more difficult to carry out.

Table

Coefficient of Payment of Bonuses and Wages for Two Versions of Indicators of Payment of Bonuses

Foreman	Version	Bonus-payment coefficient					Coefficient of labor contribution	Wages, rubles
		P	N	Q	R	D		
F1	1	1.1	1.2	1.2	1.05	1.05	1.75	388
	2	1	1.2	1.2	1	1	1.44	325
F2	1	1.05	1.1	1.1	1.05	1	1.33	300
	2	1.05	1.1	1.1	1.05	1	1.33	300
F3	1	1	1	1	1	1	1	222
	2	1.1	1	1	1.05	1.05	1.21	274
SF	1	1.05	1.1	1.1	1.05	1	1.53	340
	2	10.5	1.1	1.1	1.05	1	1.53	340

It might appear that the KDS is a considerably stricter system of payment than the existing one. But actually it frees the wages paid to each individual worker from the influence of production circumstances over which he has no control. Thus, if, in an unfavorable situation, the rhythmical nature of work performed by all the shifts in the sector was low, the coefficient of the labor contribution made by each foreman will include a "punitive" cofactor of 0.8. However, with the given fund for the payment of labor, the share of each foreman in this fund will not change, and his wages will not be reduced. But if, with unfavorable circumstances, one of the foremen, unlike the others, guarantees a higher rate of rhythm in the work performed by his shift, the overall earnings will be substantially redistributed to his benefit. And that will be justified if all shifts use one and the same equipment, produce usually output that is of the same type, and the raw materials, as a rule, are distributed, during the course of the month, among the shifts at an even rate, even when there is a shortage of raw materials. But the present system of payment creates conditions in which an unfavorable production situation can lead to the depriving of all foremen of a certain type of bonus (although the corresponding indicator proved to be at a low level

for reasons over which they had no control); and the overall earnings of the sector foremen is automatically reduced by the same amount.

It should be noted that the application of punitive coefficients when using the coefficient-shared system of payment of labor does not have a corresponding legal nuance, inasmuch as it is a material punishment not for the benefit of a certain public agency, but, rather, an instrument for the distribution of the overall earnings according to the labor principle among equivalent sectors of production. Therefore we frequently give the arbitrary name of "punitive" to the values of the bonus-payment coefficient that are below 1.

Punitive deductions on the basis of point-type evaluations of production omissions have been used for a long time at many enterprises, for example at the Minsk Machine-Tool-Building Plant imeni S. M. Kirov. Moreover, ordinary nonpayment of bonuses is also nothing else but punitive deductions from the bonus part of the wages.

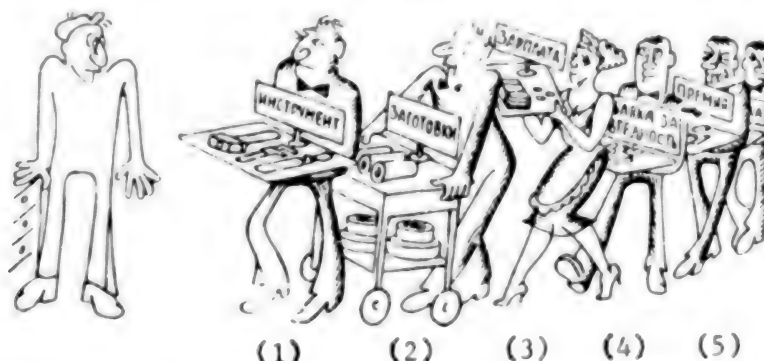
And now a few explanations for the rules for application of the KDS. First, in the event that the shift or production sector has not fulfilled the plan for production, the plant, as is the current situation, pays the appropriate foremen only their salary. Secondly, with the use of the described form of KDS, it may happen that the wages paid to one foreman will prove to be less than his salary rate. In this instance the particular foreman, in accordance with labor legislation, should be paid his salary rate, and the remaining fund of payment should be distributed among the other foremen in conformity with the coefficient of the labor contribution made by each of them. At the same time one should inform the person who is lagging behind that he has not earned even his salary rate, and that his conventional obligation constitutes such and such an amount. That amount, obviously, is not to be deducted from his future bonuses, but it can be taken into consideration when the foreman is being promoted or when psychological incentives are being distributed. It is also necessary to correct constantly the bonus-payment scales in such a way that there is no need to pay for the labor performed by individual foremen at the expense of their associates, or to raise the bonus-payment coefficients for those indicators which are improving at an insufficiently rapid rate.

KDS is a convenient form for the organic combining of socialist competition (among the production subdivisions and individual workers) with the providing of current material incentives for labor. Actually, the providing of current material incentives is carried out regularly, in a rather tangible manner, but for a small number of indicators. The results of the competition are summed up periodically (or even episodically), as a rule, for a broad number of indicators, but the size of the material award paid to the advanced persons in the competition frequently does not correspond to those efforts that they expended in order to achieve such good results. Therefore the preferential emphasis is made on the providing of psychological incentives, and this lessens the effectiveness of the competition. The use of KDS makes it possible to unite the positive factors in the providing of material and psychological incentives, that is, to guarantee the regular and tangible material and psychological incentives to the workers for a broad group of production indicators.

When discussing KDS, the workers at the Odessa plant expressed apprehension that those representatives of the shop administration who lose wages as a result of the introduction of KDS might be fired. Of course, these apprehensions do have definite justifications, but it must be taken into consideration that, with moderate bonus-payment scales and the correct consideration of the basic factors in the production situation, the wages for most of the workers on the same rank will not differ considerably. However, for each of them it will become a real possibility, thanks to their exceptional zeal in their work, to achieve a substantial increase in their wages as compared with others or, conversely, to lag behind the others when there are considerable omissions.

Inasmuch as the application of KDS can cause an increase in the differences in the payment of the labor performed by workers at the same time, when developing this system it is necessary to take especially careful consideration of the differentiation in the conditions for application of labor. For example, it is easier for a foreman working on the first shift to fulfill a day's assignment than one working on the third shift (fewer absences by workers, better operation of the auxiliary services, easier resolution of organizational questions, etc.). Let us assume that one of the foremen in the sector has been working for two weeks on the first shift, and another has been working two weeks on the third shift. In this connection perhaps one should establish additional coefficients that take into consideration the shift rate of the work: to establish for the foreman having two first shifts, 1; two third shifts, 1.1; and to the third shift foreman and senior foreman, 1.05. Or establish some other correction coefficients.

The use of KDS and the involvement of all workers to be paid according to that system in the job of improving it will increase the self-interest of these workers in locating and eliminating organizational shortcomings, and will increase their creative activity rate and economic efficiency. It will become possible for everyone to prevent any unjustified situation that might arise. That does not mean that the foremen or workers in some shop service decide each month who should be paid how much. Payment is made on the basis of approved indicators and scales that are given in official documents. However, every 2-3 months one should have a meeting of the interested individuals and inform them of the recommendations for re-examination of the bonus-payment indicators and scales. The accepted recommendations are officially formalized and become the basis for computing the wages. The KDS makes it possible to develop production democracy.



[Key]: 1 - Tools; 2 - Blanks; 3 - Wages; 4 - Differential for hazardous work conditions; 5 - Bonus.

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LABOR

BONUS SYSTEM CHANGES PROPOSED

Moscow SOTSIALISTICHESKIY TRUD in Russian No 1, Jan 82 pp 35-41

[Article* by N. Rogovskiy, chief of the labor division of USSR Gosplan: "Improving the Mechanism for Management of Labor and Making It More Effective"]

[Text] The 11th State Five-Year Plan for Economic and Social Development of the USSR, approved by the Sixth Session of the USSR Supreme Soviet, 10th Convocation, has called for raising labor productivity 23 percent in industry and 15 percent in construction. This is to provide for 90 percent of the growth of industrial output and the entire growth of construction and installation work. Targets for the rise of productivity in the principal sectors of the economy are closely bound up with carrying out the long-range program for the retooling of the economy.

But raising the efficiency of labor also calls for taking fuller advantage of the present mechanism for management of the economy. And in order to begin such a discussion we would like to examine such an important question as the sphere of relations in distribution.

The development of these relations in a socialist society are affected by the need for constant improvement of incentives, above all to encourage highly productive work and good workmanship so as to reinforce still more the principle of social justice, to achieve an objective evaluation, to raise the prestige of conscientious work of all workers and employees, and to single out in the incentives frontrankers and production innovators who by their selfless labor are making a sizable contribution to the country's economic and social development. At the same time padding, payment of various undeserved bonuses and awards, and other violations of the principle of remuneration according to labor need to be stopped most resolutely.

In accordance with the Basic Directions for the Economic and Social Development of the USSR Over the Period of 1981-1985 and up to the Year 1990, the average monthly wage of workers and employees will rise 13-16 percent in the 11th Five-Year Plan. Provision must be made for making the level of remuneration more dependent upon the final results of the activity of the collective and of each worker. As the conditions are created and the resources accumulated, plans call

* The article is being published to raise the issue.

for gradually raising the minimum wage to 80 rubles per month and for raising the wage rates and salaries of workers and employees, above all those in the production sectors of the national economy. There are also plans for introducing regional coefficients in the Urals, in certain rayons of Kazakhstan and in the northern rayons of Vologodskaya and Kirovskaya oblasts, which would be applied to the wages of the workers and employees for whom they were established, supplements are to be introduced for continuous work service in the southern regions of the Far East and Eastern Siberia, and the size of the supplement paid for night-time work is to be raised in certain sectors.

The organization of wages will presumably be improved not only by carrying out centralized measures, but also by virtue of widespread dissemination of progressive new forms of remuneration such as those in effect at the Volga Motor Vehicle Plant (the so-called "VAZ system"), the Kaluga Turbine Plant and certain other enterprises. All this will make it possible to bind the wage of workers and employees more closely to the level of production engineering and technology and also to improve the organization of work and above all work norm setting.

At the same time the share of the wage paid on the basis of the wage schedule is increasing, relations are improving in the wages from sector to sector and from category to category of workers and employees, which will ultimately strengthen the influence of the wage on labor productivity and the quality of work.

Particular attention deserves to be paid to improving the remuneration of engineering and technical personnel. Over the last 15-20 years there has been a continuous process of convergence of levels of remuneration of engineering and technical personnel and workers employed in production sectors. For instance, in industry the average wage of engineering and technical personnel in 1970 was 47.4 rubles higher than for workers, in 1980 the difference was 27 rubles; the respective figures in construction were 51.5 rubles in 1970 and 5 rubles in 1980.*

The convergence of levels of remuneration of these worker categories has occurred mainly because bonus payments to workers were increasing faster than those paid to engineering and technical personnel. It can hardly be deemed proper for the growth of wages of specialists who are having a decisive impact toward raising production efficiency and the quality of work to be considerably lower than that of workers. Deterioration of relations in remuneration of ITR [engineering and technical personnel] and workers is undoubtedly one of the principal reasons why a substantial number of persons with higher and secondary specialized education are employed as workers, while many job slots requiring specialists are occupied by persons whose qualifications are based solely on experience.

Problems related to improving the remuneration of specialists, then, need to be solved without delay. There do exist substantial opportunities for this. To be specific, at present the salaries of specialists are set at the level of the weighted "average branch" salary. Removal of this limiting condition would make it possible to raise the wage level of specialists by an average of 16 rubles per

* "Narodnoye khozyaystvo SSSR v 1980 g." [The USSR Economy in 1980], collection of tables of the USSR Central Statistical Administration, Moscow, Finansy i Statistika, 1981, pp 364-365.

month or 192 rubles per year. It would be worthwhile to increase the maximum level of the supplement for high qualification applied to the base salary of ITR from 30 to 50 percent and the supplement fund itself from 1 to 2 percent in heavy industries and to 1.5 percent in other industries. The funds required for that could be obtained by consolidating structural subdivisions, by combining job slots and by reducing the surplus personnel of enterprises. It would be advisable to allow ministries and departments, associations and enterprises to carry out such measures gradually, as the funds are obtained, beginning in 1982.

The bonus system for workers and employees is also in need of further improvement in its organization and further enhancement of its effectiveness.

As we know, bonuses are one of the principal means of stimulating the individual and collective efforts of workers in developing production and in raising production efficiency. That is why improvement of the present bonus systems ought to be aimed at establishing a close relationship to the final results of work.

The words of Comrade L. I. Brezhnev to the effect that the wage should be earned applies equally to bonuses. In many cases at present they are not paid for any sort of labor achievements at all, but in fact are used as permanent supplements to wage rates and salaries, and that in proportions which are very stable, which are repeated month after month, quarter after quarter, year after year, though the results of the economic activity of enterprises vary greatly in time.

What happens when bonus funds are disposed of so freely? On the one hand there is a lack of the necessary financial and planning discipline, as well as a lack of the necessary monitoring of enterprises by the relevant ministries and departments, while on the other hand the bonus regulations in effect are imperfect and make it possible to pay bonuses from several funds for results which are essentially one and the same.

This is also a consequence of serious shortcomings in the planning of bonus funds. Only the material incentive fund is set forth in the plans of economic and social development of ministries and departments. As for the sum total of bonuses to be paid from the wage fund, there is no limit on their amount. They are planned as part of the total wage fund and depend to a considerable degree on the size of actual payments in the previous period. As a result some enterprises dispose of substantial funds for bonuses, while others have very limited resources. Moreover, the most important sectors of heavy industry are in a less advantageous position: coal mining, the metallurgical industry and others, while most of the machinebuilding and metal manufacturing sectors are in the most advantageous position. In our point of view, if fairness is to be restored, the bonus fund must be planned separately, including within it all funds to be expended for bonuses, with the exception of bonuses covered by socialist competition. Incidentally, this procedure for planning bonus funds is in effect in Czechoslovakia, and it is justifying itself fully.

The size of material incentive funds and also funds for paying bonuses to supervisory personnel of an enterprise depend at present, as we know, on the level of fulfillment of the delivery plan. This is yielding constructive results. Most associations and enterprises have begun to conscientiously fulfill contractual

obligations. But it should be recognized that the indicators used to measure fulfillment of the delivery plan are by no means perfect. For example, even if the delivery plan for ferrous metallurgy were fulfilled at 100 percent, this would not at all mean that the metal situation is favorable in machinebuilding, metal manufacturing, construction and other sectors of the economy. The reason for this is that the tons or meters of metal produced do not always correspond to the interests of customers. It often happens, then, that metal exists in paper and even in physical fact, but the enterprises and construction projects stand idle because the assortment they need is lacking. The situation is similar with the products of other sectors. One must assume that with the transition to normative net output in the industrial sector, when output ceases to be divided into profitable and unprofitable output, the situation with furnishing the national economy the goods it needs, rather than "gross" commodities, should become normal. At the same time thought should be given to strengthening the effect of economic instruments, material incentives in particular. It is evident that this should be done in such a way that the directors of associations and enterprises receive the larger portion of their bonuses not under partial bonus regulations, but for fulfillment of the delivery plan: say, 60-70 percent for fulfillment of the delivery plan and the other 40-30 percent on the basis of all other bonus regulations.

Increasing material incentives to encourage the results of personal labor is a general direction in the practice of worker remuneration. But this does not preclude stimulation of production collectives as a whole. On the contrary, astute combination of the two methods of incentives will bring a large benefit. At present the collective form of material incentives is applied in our country on a comparatively restricted scale. The most widespread form is to pay bonuses to collectives of workers on the basis of the results of socialist competition. Another form is incentives paid to work teams converted to cost accounting (khoz-raschet). But in both cases the matter ultimately comes down to the payment of individual bonuses. Yet broader use should be made of the payment of bonuses to enterprise collectives as a whole for important production achievements: ahead-of-schedule plan fulfillment or activation of new capacities, putting the most important types of products into production which are important to the national economy (electric and diesel locomotives and railroad cars, airplanes, helicopters, ships, tractors, combines, motor vehicles, etc.) and which are distinguished by their newness, their high productivity and their efficiency.

It would be still better in such cases not to pay bonuses in money, but to use them to build cultural centers, athletic complexes, rest houses, sanatoriums, and so on. The prevailing principle in this regard at the present time is "leveling," and these facilities are built regardless of the results achieved by the particular enterprise. Is this proper? It seems to us that it is not! The best work collectives should have priority. It would also be advisable to extend this procedure to that portion of housing which is built from centralized sources.

In the years of the first 5-year plans Comrade Sergo Ordzhonikidze awarded memorable gifts to production frontrankers: automobiles, watches and other articles which were quite a rarity in everyday life at that time. Is there any need to speak about the moral significance of those gifts! This type of incentive is used on an insufficient scale at present, which can hardly be deemed proper.

A few words about the awarding of bonuses to workers and employees in construction. In that sector bonuses are paid for activation of projects, for fulfillment of job contract assignments and for the results of economic activity. Workers are paid bonuses under the job contract-bonus system for fulfillment and overfulfillment of assignments issued for the project as a whole or for a large complex. ITR and employees may receive bonuses quarterly on the basis of the results of economic activity from the material incentive fund as a function of activation of projects, fulfillment of the plan for commodity output and assignments for labor productivity.

At the same time assessment of performance of construction and installation work at estimate prices not uncommonly distorts the index of labor productivity and as a consequence makes it more difficult for the workers of construction and installation organizations to receive bonuses should there be a change in the materials intensiveness of construction. That is why the indicator of normative specific net output needs to be introduced more rapidly into the practice of planning work; to a considerable extent it will eliminate this shortcoming and enhance the role of bonus systems in effect in capital construction.

The stability of 5-year plans (with assignments broken down by years), balanced against resources of materials and equipment and also against the capabilities of construction and installation organizations, should be guaranteed in order to improve the effectiveness of bonus systems.

Hundreds of large new enterprises are being activated in the country every year, a still larger number undergo reconstruction and expansion, attainment of their rated capacity regularly extends over many years, which has an adverse effect on the efficiency of social production, brings about an additional need for manpower and increases the state's expenditures for wages. It is accordingly advisable to strengthen economic levers which motivate the workers of enterprises to reduce the time for attaining rated capacity. Broader use should be made of supplements as an incentive on the one hand and of effective penalties on the other. At present the size of material incentive funds and bonus payments made from them to supervisory personnel of enterprises are weakly linked to the level of attainment of rated capacity. They depend mainly on fulfillment of the sales plan and other economic indicators. Such a situation cannot be deemed normal.

It is high time to adopt urgent measures to enhance material motivation to achieve rated capacity as rapidly as possible. The things that should be done in this direction are as follows:

1. funds should be credited to material incentive funds at enterprises which have not attained rated capacity not only for fulfillment of the sales plan, but mainly for the growth of attainment of capacity--for the tons, meters and other indicators characterizing the enterprise's performance;
2. bonuses should be paid to supervisory and engineering and technical personnel in various categories for fulfillment of the sales plan and fulfillment of the plan for other indicators provided the assignment for attainment of rated capacity is fulfilled;

3. a penalty system of the charge on fixed capital should be established at enterprises which have not attained rated capacity within the specified period. These penalties would be paid out of the material incentive fund.

The awarding of bonuses for the growth of production capacities is now a practice at enterprises of the chemical industry, ferrous metallurgy and certain other sectors and is having constructive results.

It is well known that efficient use of equipment depends not only on its technical parameters, but also on the operating time in the course of the day, the month and the year. That is why increasing the shift coefficient of the operation of equipment is becoming so important in the present stage of the country's economic development, when intensification of production has become the central task. This problem is especially urgent for machinebuilders and the metal manufacturing industry, which employ millions of people. The state could receive a huge saving of manpower and physical resources if the shift coefficient were raised. Unfortunately, it has remained practically stable and not high enough in recent years.

This cannot be explained solely in terms of the shortage of manpower. First of all, the shift coefficient has not risen and has even dropped when the demographic situation is altogether favorable. Second, in a number of cities where the situation with labor resources has been acute for a long time the shift coefficient nevertheless has not only not been dropping, but has even been rising. A great deal of work has been done in this regard in Leningrad's industry, where the staffing of second shifts has been done by reducing auxiliary personnel.

The unsatisfactory situation with the shift coefficient is explained to a certain extent by the lack of the necessary personal motivation on the part of supervisory personnel of enterprises and shops. The time has come to find economic incentives which would motivate them to raise the shift coefficient. It is accordingly advisable to examine the question of introducing, in addition to payment for nighttime work, a special bonus for directors of enterprises and shops for raising the shift coefficient, using a portion of the saving on the wage fund for that purpose.

However important the role played by technology, much still depends on man, on his ability, his skills, and his creative attitude toward his work. It is difficult to even imagine that present-day equipment, in which electronics and other scientific and technical innovations are used, could be run by people with little technical training. The workers' high skills are the basis for higher labor productivity. But far from everyone understands this. It seems that this alone is the reason why preference is often given even now to filling the upper grades of the academic high school rather than the vocational and technical schools, though the latter offer not only a general secondary education, but an occupation as well. We will put it forthrightly: one cannot fail to be astounded by the situation in the republics of Central Asia where there is an acute shortage of skilled young workers. In those republics 70-80 percent of the young men and women in the current academic year are continuing their education in the 9th grade of the academic high school, whereas in RSFSR, for example, only 58 percent do so.

It is well known that the development of vocational and technical education is predetermined in the contemporary context by the condition of the physical plant and equipment of educational institutions. Yet many USSR ministries and departments and also councils of ministers of union republics are not paying enough attention to building new vocational and technical schools and to expanding existing ones. Moreover, they not uncommonly choose the sites for them without taking into account the need for personnel and the existence of students. It is time to put an end to that practice. The funds allocated for construction of vocational educational institutions need to be fully assimilated, and not at a level of 60-65 percent, as was the case in the 10th Five-Year Plan. Moreover, vocational and technical schools should be located according to a scientifically sound scheme. Otherwise it will be difficult to fulfill the assignment of training 13 million skilled workers in the system of vocational and technical education and of increasing by 1.6-fold the training of skilled workers with secondary education during the current 5-year period as compared to the 10th Five-Year Plan.

In conclusion we would like to raise several issues concerning improved use of labor resources.

The unfavorable demographic situation that has been taking shape in the country in recent years requires that a set of measures be taken toward economical and effective use of manpower in all sectors of the economy. This is being understood more and more by the leading officials of ministries and enterprises, and they are stepping up the effort to reduce losses of work time, which in recent years has made it possible to reduce personnel turnover somewhat. At the same time idle time lasting an entire day or part of a shift, absenteeism and excused absences are still sizable and are decreasing slowly. To a certain extent this situation can be explained by the absence of economic penalties against enterprises because of unsatisfactory use of manpower.

Can it be deemed normal, for example, when every year a large number of workers resign from enterprises, which is highly detrimental to the economy? There are, of course, many reasons for quitting. But we are thoroughly convinced that one of them is that funds from the state budget are spent to train skilled workers and engineering and technical personnel. About 2.5 million skilled workers are assigned every year to enterprises and construction projects from the system of USSR State Committee for Vocational and Technical Education. In 1980 2.6 billion rubles were spent to train them.

Is it not time to introduce at least partial (up to 50 percent) reimbursement of the expenditures of the state by those to whom graduates of vocational and technical schools, tekhnikums and higher educational institutions are sent? We think it is time! This will unquestionably compel enterprise directors to take a more responsible attitude toward the use of personnel.

Inefficiency in the operation of many industrial enterprises causes large losses of labor. The first 10 days of the month shows the lowest performance, the second just a bit better, and the real campaign begins in the third 10-day period. Moreover, people work not only overtime, but on holidays as well. That is how the plan gets fulfilled, and this is what one means by "at any price." But the principal defect in this kind of operation lies not only in the overexpenditure

of the wage fund, but in the fact that enterprises are compelled to keep on establishment a reserve staff whose size runs into the millions in the industrial sector as a whole.

There are many reasons for an uneven pace of operation. To a certain extent this is caused in our view by the procedure for payment of wages. As we know, an advance is paid at the present time for the first half of the month, and the full settlement is made in the second half. At many enterprises where production is continuous the payments for the first half of the month comprise approximately 30-40 percent while 20-30 percent of the monthly production plan is accomplished), and all the rest comes in the second half. Thus the wage for the first half of the month is not paid on the basis of the results of work, but on the basis of time worked. It is evident that the time has come to make the transition to a system of paying wages without an advance, i.e., for each half of the month it should be calculated according to the final results, which would yield a sizable labor saving. This is nothing new. A number of enterprises long ago adopted precisely this procedure for paying wages and achieved substantial results on that basis--they began to operate at a more uniform pace and more efficiently.

Many kolkhozes and sovkhoses are doing all their farm work in the field with their own resources. At the same time, on certain farms city dwellers do as much as half of the farm work.

Of course, all sovkhoses and kolkhozes can hardly get along with their own labor resources. But the question naturally arises: Exactly why is it that this process is one-sided? Why is it that kolkhoz members and sovkhos workers cannot be used in the wintertime at industrial enterprises and on construction projects? It would seem that this is not only possible, but even necessary.

The seasonal nature of agricultural production is changing as time passes. Year-round employment of sovkhos workers and kolkhoz members in their principal production is increasing, but not to such an extent that they are provided full employment in the wintertime. There is accordingly a need to do everything to develop mixed employment; that is, to attract the necessary number of workers and employees from enterprises and construction projects at the peak of farming work, and in the wintertime, on the other hand, to use the available labor resources of rural areas in industry, construction and other sectors. Of course, a portion of the kolkhoz members and sovkhos workers should go through certain vocational training for this purpose. But there are also many types of activity which do not make retraining necessary (tractor drivers, chauffeurs, etc.). But retraining is not all that is involved. Thorough consideration must be given to an appropriate system for the organization of work and even the organization of production. At the same time there is a need to build dormitories of the hotel type and other cultural and consumer-service establishments both at enterprises and construction projects and also on sovkhoses and kolkhozes. In short, there is something to think about for personnel in agriculture, city and rayon soviets of worker deputies, and also industrial and construction ministries and departments. Yet, as they say, the game is worth the candle.

In our point of view solving problems like these will help to raise the efficiency of labor.

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LABOR

LABOR LEGISLATION VIOLATIONS WIDESPREAD IN GEORGIA

[Editorial Report] Tbilisi KOMUNISTI in Georgian on 3 September 1981 has a 1,000-word front page editorial on the problem of increasingly widespread violations of labor laws in the ministries of trade, communications, construction, rural construction, automotive transport, forestry, agriculture, and meat and dairy, also Tsekavshiri and the Transcaucasian Railroad. The focus is on illegal hiring and firing either without the consent of the trade union committee, or with their consent through irresponsibility or connivance. Another factor is the laxity and apathy of local ispolkoms and the legal services. One way to rectify the situation is to propagandize legal knowledge broadly.

GEORGIAN TRADE SCHOOL FUNDING, PRESTIGE GROWS

[Editorial Report] Tbilisi KOMUNISTI in Georgian on 12 September 1981 has a front page 1,100-word editorial on the republic's trade school system and its role in supplying skilled workers for industry, agriculture, and services. Many new schools, with much more funding, will turnout many more graduates in the 11th Five-Year Plan than in the 10th. Especially important is the fact that there has been a turnaround in public attitudes. In particular, parents no longer dread the thought of their children going into a trade school rather than to college, and public schoolteachers no longer "threaten" lagging pupils with it. In the past, too many public school personnel were orienting their pupils toward college.

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EDUCATION

IMPROVING SELECTION OF GRADUATE STUDENTS AT KIRGHIZ INSTITUTIONS

Frunze SOVETSKAYA KIRGIZIYA in Russian 13 Jan 82 p 4

[Article by G. Abdukarimov, head of the graduate study system of the Kirghiz SSR Ministry of Higher and Secondary Specialized Education: "Looking at the Long Run"]

[Text] The great scientific potential of professors and teachers is one of the crucial conditions for continuing to raise the work efficiency of higher education and steadily raising the quality of training given to specialists for the national economy. Therefore, the republic Ministry of Higher and Secondary Specialized Education devotes a great deal of attention to graduate studies, an important sector for training the young scholar-teachers on whom the future of science and higher education largely depends.

Let us look at the figures. During the last five-year plan, for example, the academic degree of candidate of sciences was awarded to 180 graduate students. They went through graduate study at the Kirghiz State University imeni 50-letiya SSSR in the social, natural, and humanitarian sciences and the Frunze Polytechnic Institute in the technical and mining-geological sciences. Graduate students today are studying in more than 50 specializations. They receive academic guidance from leading scientists at higher educational institutions, the republic Academy of Sciences, and other major scientific institutions in the republic as well as from higher educational institutions and scientific centers in the Central Zone of the country.

The requirements for selection as a candidate are rising steadily year after year, and therefore the qualitative composition of graduate students is improving noticeably. More and more of them are specialists with appropriate practical work experience in the chosen scientific specialization as well as some scientific experience, and recognition for inventions. Admission to graduate study of persons who have gone through practical training in the department corresponding to the chosen scientific specialization has a good effect on the results of graduate training.

But there are still numerous omissions in solving the problem of training scientific-pedagogical cadres by graduate study. Our higher educational institutions are experiencing a critical need for highly qualified specialists, in particular for the physico-mathematical, pedagogical, and philological sciences.

Very few dissertations in these fields are defended. Only one-third of the professors and teachers at higher educational institutions have learned degrees. This is far below the nationwide indicators. The proportion of candidates of sciences is especially low at the Przheval'sk Pedagogical Institute and the Frunze Pedagogical Institute of Russian Language and Literature, where less than one-fifth of the teachers have learned degrees.

The fact that two-thirds of the students are dismissed from graduate study without completing the topic of their scientific investigation must be considered not only an irrational waste of the time and efforts of the former graduate students and a certain shortcoming on the part of their academic leaders, but also as a loss of potential intellectual forces for society as a whole whose scope is hard to measure. We have here both moral and economic costs. It is true that in time dissertation projects are generally completed, but time has been lost.

In short, although the requirements for admission to graduate study are rising, many administrators at higher educational institutions are not rigorous enough in selecting graduate students. As a result graduate students cannot handle their assigned task.

According to the statute on graduate study, candidates for admission should be selected two years in advance. The realism of the admission plan is assured primarily by the departments of the leading institutions whose needs are taken as the base. But this work is often done in a formalistic manner, without a thorough analysis of the developmental prospects for scientific research in the department and at the institution for the next 5-10 years. In short, the stage is set for "defective products."

Another undisputed fact is that in addition to picking out members of the department who are capable of scientific work for admission to graduate study the other source of graduate students must not be forgotten. These are promising graduates of higher educational institutions, and appropriate preparatory work with them must be done in advance, while they are still in college. This kind of approach to training scientific-pedagogical cadres, looking at the long run, is especially essential for outlying and newly opened higher educational institutions who will be able to build themselves up later with their own students.

Of course, selecting good candidates for graduate studies still does not guarantee good results. It is equally important to provide effective scientific guidance and insure that a truly timely scientific subject is chosen for the dissertation project. Unfortunately, we must admit that not all scientific leaders perform their assigned duties. The republic Ministry of Higher Secondary Specialized Education has been forced to refuse to recommend certain doctors of sciences and professors for work with graduate students.

The challenge for admissions commissions and administrators of higher educational institutions is to analyze the experience of past years, which has not always been successful, and to select the most worthy candidates, those who are best trained in a scientific and a social-political sense. This will guarantee the quality of future scientific potential for higher education in conformity with the tasks outlined by the 26th CPSU Congress.

CONSOLIDATING VILLAGES CUTS OUT-MIGRATION OF RURAL YOUTH, SPECIALISTS

Riga KOMMUNIST SOVETSKOY LATVII in Russian No 10, Oct 81 pp 30-39

[Article by V. Timofeyev, doctor of economics: "An Important Condition for the Social Development of the Rural Area"]

[Text/ During the last few years in our country considerable successes have been achieved in carrying out the course adopted by the party for strengthening the material and technical base of agricultural production, developing inter-farm cooperation and agro-industrial integration, as well as solving the vital social problems of the rural area. In our republic, for example, during the 9th and 10th Five-Year Plans capital investments in agriculture came to 34 percent of all capital investments in the national economy of the Latvian SSR. Last year, as compared with 1970 and on a per capita farmworker basis, capital assets increased by a factor of 2.5, while energy capacities increased by a factor of 1.92. In the agrarian sector of the republic's economy the tractor pool reached 32,800 units, trucks--20,900, and the total capacity of tractor engines and the freight-hauling capacity of trucks increased by a factor of 1.8. Large-scale land-reclamation operations had a multi-faceted influence on the development of agriculture.

Along with a strengthening of the material and technical base, there has been a growth in the wages and real incomes of farmworkers. The general-educational and occupational level of the rural population has been rising, new occupations are making their appearance, progressive traditions are being introduced into social and daily life, while housing and communal conditions are improving.

Thus, 622 out of every 1,000 kolkhoz members in this republic have a higher or a secondary education, which is one and one-half times more than was the case in 1970. In comparison with 1970 the total (utilizable) area of the housing stock in the rural area increased by 1.5 million square meters. In the rural area more than 208,000 apartments have been converted to gas, and it was not until relatively recently that rural inhabitants had such facilities at their disposal at all.

During the current five-year plan on the republic's kolkhozes and sovkhoses more than 1.2 million sq. meters of apartment houses are scheduled to be built, along with 11,000 places for children's preschool institutions, many schools, clubs, stores, rural mobile facilities, and production areas.

At the October (1980) Plenum of the CPSU CC the General Secretary of the CPSU Central Committee, L. I. Brezhnev, pointed out the following: "Effective utilization of the potentials of agriculture is linked in the most direct way with the solution of social problems in the countryside. Quite a bit has been done here, but a great deal more remains to be accomplished." This applies fully to our republic as well.

Because of an insufficient build-up of the social infra-structure (roads, housing, service institutions, and many other facilities) there is an exacerbation in the rural areas of the processes of an unbalanced migration of labor resources, their aging, a growing unevenness in the development of farms, and, as a result of all this, the principal public resource--land--is not being utilized with sufficient effectiveness.

In our country improvement in the working conditions, life, and daily concerns of people has always been regarded as the chief task of socio-economic development. But the decisions of the 26th CPSU Congress, as well as the 23rd Congress of the Communist Party of Latvia are particularly marked by the fact that they are aimed, in the first place, at still further strengthening attention to measures of socially developing the rural areas and, in the second place, at a comprehensive solution of social problems.

The basic production task of the Latvian SSR's kolkhozes and sovkhoses during the 11th Five-Year Plan is to bring grain production up to at least 2--2.1 million tons, to increase the average annual production of potatoes by 20--29 percent, and to significantly increase the average annual production of meat and other products. At the same time, as was pointed out by the first secretary of the CP of Latvia M. A. E. Voss, at the 23rd Congress of the CP of Latvia, we must bear in mind that "one of the most important and essential tasks of the first year and the entire 11th Five-Year Plan is the social re-structuring of the village...." "In this sphere," he emphasized, "we must carry out a great many top-priority projects."

One of the main links in the chain of top-priority projects must be considered the further development of present-day populated points. The problem of the rational build-up of settlements of kolkhozes and sovkhoses in this republic is particularly important, since out of 190,500 rural apartment houses no more than 30 percent are located within the boundaries of settled areas with good prospects. In sociological surveys a significant portion of the rural laborers (63 percent of those who responded) indicated the need to improve conditions where they were living. Approximately 50--53 percent of those questioned see the path to this in moving their place of residence from farmsteads to settlements.

The formation of settlements in Latvia's kolkhozes and sovkhoses, as well as in other republics of the Soviet Baltic, is gathering force, but many questions of rural settling have still not been sufficiently elucidated, and opinions have not been firmly established. In connection with this, it seems urgent to keep under constant observation the principal questions of the theory and practice of settling, such as the principles of the formation of settlements on farms and their structure, taking into account the specialization of agricultural production and rural living conditions.

The re-structuring of the village comes under the general process of the urbanization of life. It must be considered within the framework of the problems linked with the elimination of the differences between town and country. The approach of working conditions in the rural areas to those of industrial work and the technology to that of industry, as well as the raising of the level of conveniences in housing, everyday facilities, and services--these are the strategic trends in the work of bringing the town and the country closer together. All this also obliges us to solve the problems of building up rural and urban populated points in a mutually connected complex with the distribution of other elements of production forces.

The elimination of the differences between town and country constitutes a process which moves, to speak in images, both from the side of the town and from the side of the country. Within this process there should not be any absorption of one by the other, but there does take place a penetration of highly developed production forces into agriculture with the retention of a number of advantages and progressive traits of the rural way of life (utilization of the land's production forces and a closeness to nature). In other words, within this two-direction movement not the last place is occupied by characteristics of a social and production-technology type, which are an essential part of agriculture. And this is why we must take this circumstance into consideration in a multi-faceted manner.

That time has long passed when all the desires and thoughts of a peasant family were enclosed within the bounds of their own house and yard and when questions of housing organization were simplified to the elementary needs. The present conception of each family's housing and everyday conditions on a kolkhoz or sovkhov is linked, to a considerable measure, with the development of settlements. kolkhoz and sovkhov settlements are emerging as the main centers of their economic and social infra-structure wherein the following are concentrated: the chief production buildings, apartment houses, cultural, every-day-service, and educational-type facilities, schools and pre-school institutions, roads, engineering networks, and other structures of convenience and practicality. For all these purposes, settlements have taken shape in our country as centers for administering a complex, territorially scattered agricultural production.

Among the many factors exerting an influence on the formation of contemporary rural housing the following two stand out in sharp relief: the effect of concentration and the requirements proceeding from the spatial nature of agricultural production.

The processes of concentrating labor and material means, ensuring an effect in the sphere of production also encompass other spheres. With regard to settlements, concentration ensures an economy of capital and operating expenditures. Also essential is the fact that the construction of certain service facilities is, in general, possible and feasible only when there is a specific population concentration. At the same time, in the case of modest-sized kolkhozes and sovkhozes it is difficult to create a large settlement. Therefore, one of the reasons for enlarging farms has also been to create the prerequisites for building up a so-called optimum settlement.

In resolving the problems of rural settling it is also important to take into consideration the specifics of agricultural production, including the particular nature of the object of labor, which is the land, and also in utilizing biological means of production. Land, which functions not only as the spatial basis but also participates in creating the product, has distinguishing characteristics--particular spatial traits and conditions of fertility. Other means of labor--productive livestock, structures, vehicles, and fertilizers--function only in an organic connection with the land and its traits.

With the intensification of agricultural production the needs become more complex for the administration of the processes of the rational utilization of the land. This circumstance excludes even to the slightest degree an abstract approach to the distribution of people, the use of vehicles, fertilizer, and seed material. It is precisely for this reason that the administration of the process of utilizing the land needs to be closer to the centers of administration--and the settlements closer to the lands which are suitable for agriculture.

The forms of organizing production are constantly being perfected, and this makes it possible to gradually increase the dimensions of the farms and the distances from their centers to the principal land areas. But this is not in harmony with the acute needs for a well-planned placement of housing relative to these lands. In other words, although consolidating the area of farms also promises the possibility of building larger settlements with a diverse set of service facilities, it still has limits beyond which there are violations of the ties between the center of the farm and the lands suitable for agriculture; other conditions become worse as well as factors of intensive farming.

However, settlements are formed under the influence not only of individual economic conditions but also of complex social and production factors. Inasmuch as settlements play a known role in creating the conditions for reproducing labor resources, this position is particularly important for them. In a definite way an organized material environment has an essential influence on the conditions of all the principal spheres of the population's social activity--labor, administering social production, the consumption of material goods, as well as spiritual and physical development. Therefore, the building up of settlements ought to be evaluated primarily from the viewpoint of their social perspectives. Other types of premises, for example, calculations based on variants of outlays adduced or picturing a private system of economic feasibility, if they are considered in isolation without estimating how they correspond to the requirements and conditions of the rural laborers' socialist way of life, may lead to erroneous solutions.

The settlements which have been formed in recent days--the farm centers (for example, on the Red October Kolkhoz of the Preyl'skiy Rayon, the Yaunays komunars and Uriva kolkhozes of the Salduskiy Rayon, as well as on the Ogre and Madliena Sovkhozes) bear witness to the fact that of the many concepts of settlement which have been proposed in due course, those have proved to be viable which have a greater social supplement. Thus, there has been no development of the proposals to build up settlements according to the brigade principle, build apartment houses among dispersed, modest-sized livestock-breeding farms, or the attempts to create certain cultural centers in the form of "oases" among many small-scale, solitary populated points. The fact of the matter is that, while these proposals

may have introduced a temporary improvement in economic conditions, on the whole, they have not corresponded to the increasing objective requirements for the social structure of persons on farms.

The table cited below sums up certain indicators of rural development in connection with the forms of settling (based on data of sociological research conducted during the course of several years in the republic by the Latvian Academy of Agriculture).

It is evident from the table that in the large settlements there is a younger make-up of the population, a higher level of education among the workers, a more up-to-date occupational structure, a higher proportion of persons taking an active part in the production and cultural-educational life, and that everyday services are more diverse and regular in character. It is not by accident that in the small centers and on the farmsteads only 19--22 percent of the persons surveyed were satisfied with their living conditions, whereas in the large farm centers this indicator was significantly higher, amounting to 38 percent.

In summing up the experience and results of the scientific studies, including the economic calculations and specific sociological surveys, it may be considered that under the conditions of the Latvian SSR it will be feasible in the future to have farms with average sizes of land usage amounting to 6,000--8,000 hectares of total area and to create in them, as a rule, one settlement with the necessary service institutions and a sufficiently high level of convenience facilities. Let's say, for the sake of comparison, that the average size of Estonia's farms is somewhat greater--8,100 hectares, including 4,500 ha of lands suitable for cultivation and 2,600 ha of pasture lands. In Belorussia the average farm size is 4,500 ha (3,200 ha of land suitable for cultivation and 2,000 ha of pasture lands); in Lithuania the average farm size is 3,100 ha (2,200 ha of lands suitable for cultivation and 1,500 ha of pasture lands). It should be noted that most of the present-day farms are being set up within the recommended future dimensions; hence, their territorial growth will not be appreciable.

In the regional planning scheme which has been worked out for all the administrative rayons of the Latvian SSR within its agricultural division settlements of kolkhozes and sovkhoses are considered along with other populated points and form a system of populated points for agricultural purposes. They are all sub-divided into three categories, depending on the make-up of the service facilities distributed within them. Dividing settlements into categories helps to appropriately differentiate service institutions by types and capacities, and this facilitates locating services closer to the places where people live. At the same time this creates relatively favorable conditions for the operation of up-to-date service enterprises and helps to avoid their duplication.

Under favorable conditions of agricultural-production specialization as well as territorial-transportation factors inter-farm centers will be developed within rayon boundaries. In accordance with the plans of the rayon agro-industrial associations, the largest cooperative facilities designed for production and non-production purposes will be placed within them. It may be assumed that such centers, by having a higher level of build-up than the settlements within farms, will, to a certain degree, interrupt the general flow of population migration from rural localities to the cities. And still, in our opinion, in the interests of

Table 1. Indicators of Conditions of Social Development in Kolkhozes and Sovkhozes of the Latvian SSR according to Data from Sociological Surveys
(in percentages of those surveyed)

Item	Forms of Settlement		
	<u>Main Farm- Center Settlements</u>	<u>Production (Brigade) Centers and Farms</u>	<u>Farmsteads</u>
Age and Occupational Make-Up:			
Proportion of population 16--34 years of age	36.0	Less by factor of 1.3	Less by factor of 2.1
Proportion of workers with secondary, secondary spec., and higher education	42.0	Less by factor of 2.8	Less by factor of 3.5
Structure of Inhabitants in Populated Places (in percentages):			
Specialists in agriculture	29.0	10.0	9.0
Machine operators	29.0	28.0	26.0
Livestock breeders	11.0	28.0	25.0
Service group	14.0	11.0	11.0
(Of the Population Surveyed:			
Completely satisfied with living conditions	38.0	19.0	22.0
Take part regularly in the farm's social life	64.0	47.0	45.0
Attend socio-political lectures regularly	35.0	17.0	22.0
Take part in amateur arts classes	54.0	29.0	26.0
Regularly visit clubs and Houses of Culture	53.0	39.0	45.0
Satisfied with the possibility of putting their children in the farm's kindergartens and nurseries	57.0	38.0	35.0
Regularly use the cafeteria	23.0	18.0	16.0
Do not use the cafeteria at all	27.0	34.0	52.0
Satisfied with transportation conditions			
From work	88.0	80.0	74.0
From school	86.0	71.0	74.0

stabilizing labor resources directly on the farms, priority in ensuring by means of material and monetary resources, by construction capacities, and by limits on planned projects for a certain length of time--until they can stand on their own two feet--ought to be retained for the farm settlements.

In the future the Latvian SSR will have a total of about 600 populated points for agricultural purposes, including approximately 520 main farm centers and 70 ancillary ones. About 20 percent of the agricultural settlements will be relegated to the first category and 75 percent to the second.

The scheme for the future development of rural populated points should be regarded as an important document, necessary for planning new capital investments and material resources for a lengthy period. But the transition to the prospective settling requires large funds and will take a considerable amount of time. We have to erect anew at least 75 percent of housing (of that required), 75 percent of children's institutions, 60 percent of commercial facilities, and the picture is analogous with respect to other types of construction as well. Under these conditions the utilization of already-existing housing stock and communal facilities, no matter what their sizes are, and even if for this purpose certain work has to be done with regard to modernization and improvements, will assist in effecting savings in funds and respond to the economy's needs. Completely justified and showing good economic sense, for example, were the actions taken on the Uzvara Kolkhoz of the Bauskiy Rayon, the Sigulda Experimental Farm, and the Spars Kolkhoz of the Gulben'skiy Rayon, where provisions have been made for the lengthy use of existing, modest-sized residential centers as auxiliary ones.

The premature declaration of existing small centers as lacking in future prospects leads to a situation whereby interest in them is lost, particularly on the part of farm managers. Sensing this, the population leaves such residential centers, often not even remaining in the farm's main center, inasmuch as housing has not been erected for them there in good time. The opinion of farm experts testifies to the feasibility of actively using at the present time the modest-sized centers. In the survey 46.6 percent of them expressed the opinion that auxiliary centers were needed to administer production.

But an attractive force is drawn to the large centers primarily by up-to-date services through a network of corresponding institutions and a comparatively high level of convenient housing and space. According to the data of Estonian sociologists (such as E. Rannik), who have made a study of the shifts of labor resources in agriculture, 49.8 percent of those moving to a new place of work on kolkhozes and sovkhoses settle in farm centers, and 24.1 percent--in direct proximity to them. This is why in developing the settlements--farm centers--we must proceed from the necessity of ensuring the inhabitants in the locality a minimum of the basic types of social services, including the possibility of engaging in sports (sports areas, gymnasiums, swimming-pools), amateur arts activities (clubs), trade, public dining facilities, schools, and pre-school institutions.

Already now the level of residential conveniences in the settlements is 10 times as high as that of the farmsteads. However, the structure of the settlements is not balanced, since the construction of the service institutions lags behind the putting into operation of the production facilities and apartment houses. In 1979

31.3 percent of the surveyed inhabitants of kolkhoz and sovkhos settlements indicated that they were not completely satisfied with their everyday living conditions, while 8.9 percent indicated that they were simply not satisfied. In individual rural rayons approximately one out of every five workers up to quite recently was disturbed by the fact that he could not place his children in a kindergarten or nursery, and one out of every three felt that he lacked opportunities to organize his own leisure time. Behind such answers possibly stand future migrants, but their path need not lie into the city. A questionnaire in the kolkhozes has shown that of the workers (450 persons) only 9 percent named a large city as a place of possible migration, 35 percent named a small city, and 38 percent--another rural populated place, but one with a higher level of facilities.

The elimination of imbalance in the structure of the settlements until recent times has not been facilitated by the system of planning and assimilating capital investments. Just recently only about 16 percent of the capital investments were being directed into non-production construction in the village on an annual basis, including 12 percent on housing, 2 percent on communal services, and 1.5 percent on educational and cultural facilities, taken together. At the same time in the economically strong farms, for example, on the Tervet Kolkhoz in the Dobel'skiy Rayon, the proportion of non-production funds within the make-up of the capital assets amounted to 23 percent. In the present five-year plan the proportion of construction projects in the non-production sphere increases to 45 percent, and this must be utilized for a balanced construction, under which production areas and facilities ensuring a better life for people are put into operation on the farms at the same time.

Planning settlements must also be coordinated with solving the problem of evening out the social conditions in a cross-section of the rayons and farms. In distributing capital investments, material resources, and tasks for developing the rural construction industry and the settlements it is necessary to take into consideration the fact that the level of housing facilities on the farms of the republic's eastern rayons, as a rule, are considerably lower, let's say, than those of the central rayons. Thus, on the farms of the Second Natural-Economic Zone (the Riga and Ogrskiy Rayons) or the Third (the Dobel'skiy, Yelgavskiy, and Bauskiy Rayons) the non-productive capital assets, calculated per 100 hectares of agricultural lands, comprised 46,700 and 44,200 rubles respectively, while the Seventh (the Balvskiy, Preyl'skiy, Daugavpilsskiy Rayons) and the Eighth (the Rezeknenskiy, Ludzenskiy, and Araslavskiy Rayons) amounted to 13,700 and 16,600 rubles respectively. And within the boundaries of a single rayon the indicator of providing non-production assets, as calculated per worker, for individual farms is marked by an increase of a factor of 2--2.5 and more, while for projects with cultural, everyday, communal, and educational purposes--by even more.

As is known, the Latvian CP CC and the Latvian SSR Council of Ministers have adopted a well-developed decree which outlined the major measures for strengthening economically weak farms. In this connection particular attention deserves to be paid to measures on creating the foundations of well-constructed settlements on the land usages of such farms. The importance of these measures may be judged all only by the fact that the economically weak farms have been strengthened by approximately 853,000 hectares of land, including 473,900 ha of lands suitable for cultivation and 299,400 ha of pasture lands, but the level of land use is low, one

of the reasons for this being a shortage of manpower. Settlements with up-to-date housing on the given farms will be able to retain specialists, machine-operators, and livestock-breeders on the job, and, at the same time, intensify the production of grain, feeds, meat, and milk in those areas which, up to now, have not been utilized to full capacity.

Other methods, including the construction of cooperative settlements--consisting of one or two farms--, as proposed by certain sociologists for farms with a low guaranteed supply of their own labor resources, are hardly effective. The main reason for this is because farms, which are independent in their own actions, as a rule, differ from each other to a great extent, and this creates conditions for various types of contradictions. Moreover, the settlement centers may turn out to be cut off from the principal production territories.

The concentration of housing on the farms ought to change a great deal in the production organization. It is extremely possible that on the farms it will be sectorial rather than territorial which will become the basic type of administration, while methods of organizing a production territory will also change. Unfortunately, these problems have not yet been subjected to enough scientific analysis and ground-work.

Poly-functionality, or a multi-purpose designation of the settlements, is one of the serious factors of their future development. It facilitates the choice of work in the locality for the population and assists in the broad-based interchange of people. In this connection the poly-functionality of the settlements can be created by various means. First of all, this quality, as a rule, is characteristic of settlements which have been founded on the basis of historically formed, modest-sized rural centers already possessing an attractive force for the surrounding population. With regard to the new settlements, in order to impart a multi-purpose designation to them, we must make broader use of the processes of integration and cooperation. Thus, at the center of several kolkhoz and sovkhos settlements production facilities and apartment houses of an agro-service can be built, i. e., responsible for material and technical supply, delivery of electric power, and communications in the village. For the employees of these enterprises, who usually live in cities and are now compelled to make long trips to and from work and are, therefore, practically cut off from their own families, such a solution would also be acceptable.

In recent times it has transpired that villages are built basically in the form of buildings with many apartments. The fact is that the construction cost of one sq. meter of general area in three or four-storey, sectional-type apartment houses is more than 30--35 percent lower than in the farmstead-type, single apartment apartment houses (to be sure, taking into account the construction of barns for livestock which are for personal use, the difference in favor of the sectional apartment houses would obviously not be so great). This can be the only explanation for the widespread use of multiple-apartment and multi-storey (in some places as many as five floors) apartment houses. With their aid it is easier for the farms to solve the housing problem. One may understand the difficulties of the farms, and hence it is not quite valid to sharply contrast the two types of housing. And, nevertheless, it must be admitted that the construction of the farmstead type, because of the better conditions for conducting private, auxiliary farming, the isolation of the housing, and even the economic services, thanks to communications with the surrounding territory, has indisputable advantages.

To the question: "If you had the possibility of choosing, what type of housing in a settlement would you consider the most convenient?", 48 percent of the kolkhoz members who responded expressed a preference for their own house with a plot of land, 28 percent for a one-apartment house with a plot, built by the farm, and only 4 percent favored an apartment in a three-storey, sectional house without any plot attached. Rural people do not like the over-crowding of multi-apartment houses (42 percent of the respondents indicated this), the inconvenient conditions for engaging in private, auxiliary farming (32 percent), or the necessity of climbing to upper floors (15 percent).

Approximately 20 percent of the inhabitants in the settlements were not engaged in private, auxiliary farming, and of those who were--only half had a cow. Of course, it does not follow from this at all that settlements are not suitable for private, auxiliary farming. It is simply that in a number of them there are reasons which do not facilitate such farming. In order to eliminate these reasons, we must, while still in the stage of planning the settlements, ensure suitable territorial placement of apartment houses in relation to the appropriate sheds for livestock for individual use as well as garden-type plots, to arrange to have the pastures closer to the sheds and to plan their rational territorial organization, and, finally, to provide well-laid-out barnyards and a reliable water supply for the livestock. But to create fully favorable conditions for conducting private, auxiliary farming in settlements is possible only if farmstead-type individual houses are built in them.

In order to reduce the shortage of housing in the rural areas, we should make more extensive use of individual or cooperative construction. Unfortunately, those rural inhabitants who need housing have been poorly oriented toward it. On the list of acquisitions suggested by them the participants in the questionnaire place their own home only in fourth place--after furniture, an automobile, and a refrigerator. They explain this by the lack of funds for construction (25 percent of the respondents), desire and time (25 percent), by a reference to the fact that housing should be provided by the sovkhoz or kolkhoz (9 percent), and to the fact that they prefer to use their funds to acquire other things (9 percent).

The development of individual and cooperative housing construction in the rural areas, attracting the funds of the population, is one of the tasks which was assigned by the plenum of the CP of Latvia CC, which was held in June of the present year. In order to successfully solve this problem, it is necessary to expand the production and sale to the population of building materials, to attempt to lower the expenses of producing houses by the plant-method of manufacture, to render multi-faceted aid to rural housing cooperatives and to individual, do-it-yourself builders from the farms, and, finally, to be concerned with increasing the prestige of owning one's own home.

The development of settlements has posed yet another whole set of new problems. One of them is operating a residential-communal farm in the village. Up to now the main responsibilities for repairing the communal and other buildings, water pipeline, sewerage, and the appropriate material and technical supplies were placed on the shoulders of the farms. With the expansion of housing and communal stocks, they take on the added responsibilities of acquiring special equipment (street-cleaning vehicles, asphalt rollers, collapsible towers) and retaining the appropriate specialists. This will become burdensome for the farms, inasmuch as it

will distract them from their direct tasks. It is thought that it is feasible to organize centralized cost-accounting sub-divisions in the rayons for servicing housing-communal farms in the settlements.

As experience has shown, the initiative of the farms plays an important role in solving the problems of rural settling within this republic. Having weighed their various possibilities, the kolkhoz and sovkhos directors are called upon to define, taking local conditions into consideration, the points of departure in working to develop settlements and to draw up plans of action as follows: what new facilities should be built; how should they be distributed within the make-up of the social center; what minimum of measures needs to be promulgated so that existing housing and other facilities on the farm territories can continue to be used with conveniences for the inhabitants; which of the facilities within the new settlements should be assigned top priority. It is feasible to provide precise groundwork for the structure of the settlements--the disposition of the zone of the public buildings, as well as the territories built up by the sectional, block-type, and farmstead-type, single-apartment buildings. It is very important to provide--if not right away, then for the future--for supplying the settlement with complex, up-to-date elements of convenience--heat supply, water pipelines, sewerage, natural gas. In connection with this, the build-up should be arranged in a compact manner but without crowding, which is alien for a rural locality.

In the work of re-structuring the village it is useful to make more extensive use of the experience which has been accumulated within the republic. On a number of farms, for example, on the Druva Kolkhoz of Saldusskiy Rayon, the construction of one-family, farmstead-type houses has been organized quite well within the settlement. On the experimental-training farm Vetsautse of the Latvian Agricultural Academy there has been a successful experiment on the stage-by-stage construction of a livestock-breeding complex with a start-up of individual facilities' operations within a year after the beginning of their construction. Having studied the experience of others, we can make a more circumspect approach in our own choices of the types of apartment houses and public buildings.

Measures on building and laying out the center well must become an inextricable part of the plan for a farm's socio-economic development. The successful implementation of these measures will facilitate the fulfillment of production assignments and the development of the social activities of farms' groups.

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DEMOGRAPHY

GEORGIA'S MOUNTAINOUS SVANETIA DISTRICT STUDIED

[Editorial Report] Tbilisi KOMUNISTI in Georgian on 8 September 1981 page 3 carries GSSR Academy of Sciences Academician Shota Dzidziguri's 1,900-word account of ongoing economic, social, ethnographic, cultural, and historical studies of the mountainous Svanetia district, with reference to various decrees relating to its development. Dzidziguri is deputy chairman of the Integrated Commission for the Study of Svanetia. All aspects of the region and its people are the object of study: history, folkways, traditions, economy, labor resources and migration, mineral and migration, mineral and forestry resources, tourism prospects, livestock farming, mountain climbing, cultural treasures and monuments (including their inventory, classification, display, and safeguarding), and so on.

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